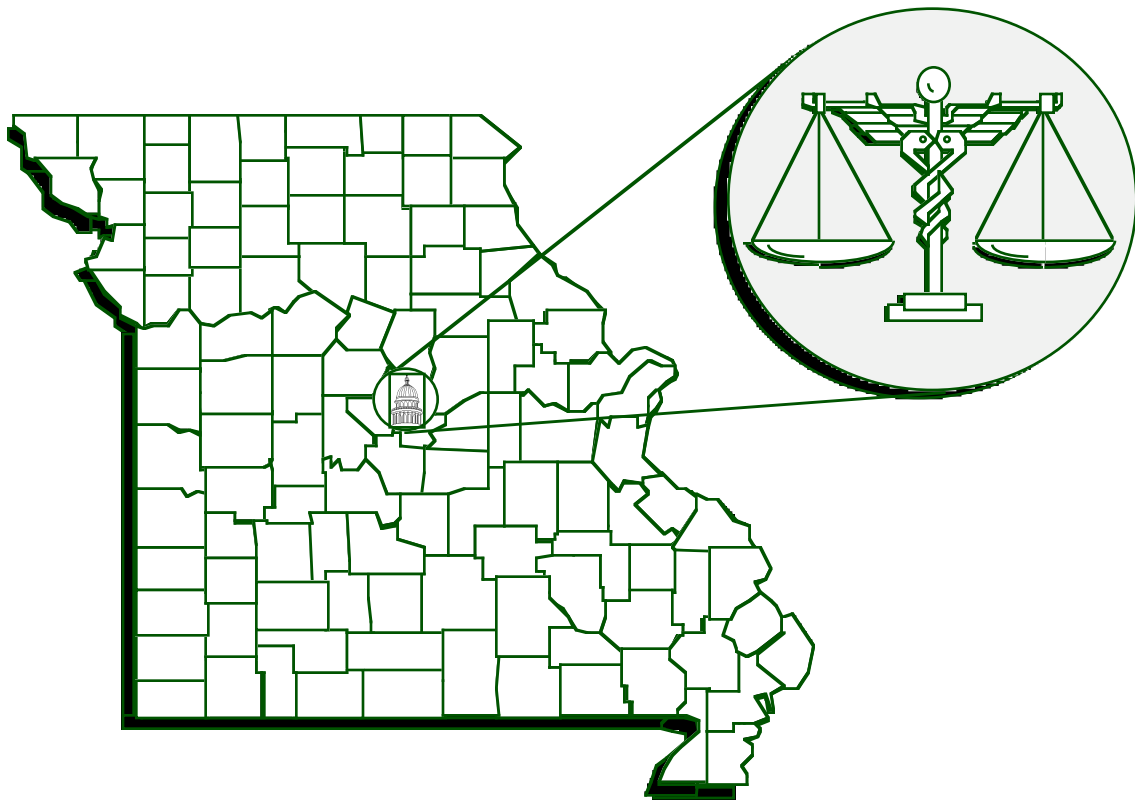


Missouri Health Facilities Review Committee

Certificate of Need Meeting Compendium



April 4, 2005

**State Capitol Building
House Hearing Room 7
Jefferson City, MO**



MHFRC

www.dhss.state.mo.us/con

H. Bruce Nethington, Chair
Milamari A. Cunningham, M.D., Vice-Chair

Catherine L. Davis
Vice-Chair

Dorothy V. Fauntleroy
Marion S. Pierson, M.D.

Missouri Health Facilities Review Committee

915G Leslie Blvd., Jefferson City, MO 65101

Voice: (573) 751-6403

Fax: (573) 751-7894

Rep. Thomas A. Villa
Rep. Kenny Jones

Sen. Dan Clemens
Sen. Yvonne Wilson

Memorandum To Missouri Health Facilities Review Committee

From: Thomas R. Piper, Director
Certificate of Need Program

Date: March 14, 2005

Subject: **April 4, 2005 Certificate of Need and Administrative Meetings**

This mailing is sent in preparation for our upcoming Administrative and Certificate of Need meetings on April 4, 2005. Your copies of the applications to be heard at this meeting are also included in this mailing. Additional information we have received has been placed in the appropriate application. Updates may also be provided before the next meeting.

Your Compendium is a regular "Spiegel Version" which includes the latest Certificate of Need Meeting staff analyses and Administrative Meeting materials (depending on which cover of the document you start from). This Compendium will be a helpful aid to you in preparation for and during the meeting.

Monday, April 4, 2005

- 9:00 a.m. Certificate of Need Meeting
House Hearing Room #7
Capitol Building
- 12:00 p.m. Administrative Meeting (*time is approximate*)

Please contact our office by phone or email to let us know whether or not you are planning to attend the meeting, and if you will need housing on Sunday night.

Feel free to contact us if you have questions regarding the agenda items or any other concerns. We look forward to seeing you at the next meeting.

TRP/ds

Enclosures: Compendium
Applications

Missouri Health Facilities Review Committee
Certificate of Need Meeting
April 4, 2005, 9:00 a.m.
House Hearing Room 7, Capitol Building, Jefferson City

Tentative Agenda

A. Committee Business

1. Review and Perfect Agenda
2. Present Mission Statement
3. Review Registered Representative Log
4. Present Meeting Protocol
5. Approve Minutes (January 24, 2005, CON and Admin. Meetings)

B. Old Business

C. New Business: Expedited applications

<u>Filing Date/Reviewer</u>	<u>Application Project Number & Name/City & County/Cost & Description</u>
-----------------------------	---

D. New Business: Full applications

- | | |
|------------------|---|
| 01/06/05
(DS) | 1. #3716 HS: Saint Louis University Hospital
St. Louis (St. Louis City)
\$2,953,996, Acquire additional angiography unit |
| 01/07/05
(MH) | 2. #3731 HS: SSM Health Care St. Louis
St. Louis (St. Louis County)
\$188,522,000, Establish 158-bed acute care hospital |
| 01/07/05
(DS) | 3. #3729 HS: St. Anthony's Medical Center
St. Louis (St. Louis County)
\$2,200,000, Acquire additional angiography unit |
| 01/07/05
(DS) | 4. #3730 HS: All Saints Special Care Hospital
St. Louis (St. Louis City)
\$953,000, Establish 24-bed LTCH |
| 01/07/05
(DS) | 5. #3727 HS: Landmark Hospital of Cape Girardeau
Cape Girardeau (Cape Girardeau County)
\$6,439,000, Establish 30-bed LTCH |

E. Other Business

- | | |
|------------------|---|
| 01/11/05
(DS) | 1. #3197 RM: Capetown Residential Care Center
Cape Girardeau (Cape Girardeau County)
\$1,200,000, Reissue CON to include cost overrun of \$576,812 |
| 01/31/05
(DS) | 2. #3676 RM: Frene Valley Residential Care Center
Hermann (Gasconade County)
\$2,500,000, Reissue CON to change site |

** To the left of each project listed on the agenda is a set of initials which depicts the planner assigned to review the project (MH: Mike Henry and DS: Donna Schuessler). If a date is shown above the initials, it indicates the date on which the application was submitted.*

This is an Open Meeting and the public is welcome to attend. Individuals may speak only if called upon by a Committee member. Closed session(s) will be held in accordance with §610.021 RSMo for purposes of discussing legal or personnel issues at any time during this agenda.

March 8, 2005

- | | |
|------------------|---|
| 02/17/05
(MH) | 3. #3130 HM: Portable Scanning Services, LLC
Hannibal (Marion Co.), St. Louis (St. Louis Co.),
and St. Charles (St. Charles Co.)
\$2,043,804, Reissue CON to add Barnes-Jewish St. Peters Hospital
St. Peters (St. Charles County) |
| 02/18/05
(MH) | 4. #3587 FM: Kansas City Oncology Hematology Group
Lee's Summit (Jackson County)
\$1,800,000, Reissue CON to replace mobile PET
with fixed PET/CT |
| 03/04/05
(DS) | 5. #3719 HM: SSM DePaul Health Center
St. Louis (St. Louis County)
\$3,651,000, Reissue CON to change replacement linear
accelerator to additional unit |

** To the left of each project listed on the agenda is a set of initials which depicts the planner assigned to review the project (**MH:** Mike Henry and **DS:** Donna Schuessler). If a date is shown above the initials, it indicates the date on which the application was submitted.*

This is an Open Meeting and the public is welcome to attend. Individuals may speak only if called upon by a Committee member. Closed session(s) will be held in accordance with §610.021 RSMo for purposes of discussing legal or personnel issues at any time during this agenda.

March 8, 2005

Suggested Motions

I. Motions for Action on Applications

A. Approve as Submitted:

I move we certify a need for project# _____ as set forth in the application.

B. Approve for Less:

I move we certify a need for less than what was originally sought in project # _____ by granting approval for all portions except the _____ which would be reduced from _____ to _____.

C. Denial:

I move we refuse to certify a need project # _____ for the reasons set forth as follows (list reasons):

II. Motions to Close Meeting (Closed Session)

A. I move that this meeting be closed, and that all records and votes, to the extent permitted by law, pertaining to and/or resulting from this closed meeting be closed under Section 610.021 (choose one of the following):

1. Subsection (1) RSMo for the purpose of discussing **general legal actions, causes of action or litigation, and any confidential or privileged communications between this agency and its attorney.**
2. Subsection (3) RSMo for the purpose of **discussing hiring, firing, disciplining or promoting an employee of this agency.**
3. Subsection (13) RSMo for the purpose of making **performance ratings pertaining to individual employees.**
4. For the purpose of **reviewing and approving the closed minutes of one or more previous meetings** and which authorized this agency to go into closed session during those meetings.
5. Subsection (14) and Section 620.010.14, Subsection (7) RSMo for the purpose of discussing **investigative reports and/or complaints and/or audits and/or other information pertaining to a licensee or applicant.**

B. I move that this closed meeting be adjourned and that we return to Open Session.

Missouri Health Facilities Review Committee

Mission:

To achieve the highest level of health for Missourians through cost containment, reasonable access, and public accountability.

Goals:

- Review proposed health care services;
- Address community need;
- Manage health costs;
- Promote economic value;
- Negotiate competing interests;
- Prevent unnecessary duplication; and
- Disseminate health-related information to interested and affected parties.

Registered Reps for April 4, 2005, Meeting

<u>Project Name and Description</u>	<u>Name, Title and Organization Represented</u>			<u>Phone No.</u>	<u>Position Advocated</u>
3716 HS Saint Louis University Hospital	Acquire bi-plane angiography unit				
EIKMANN, James F.	Dir., Bus. Development	Saint Louis University Hospital		314-577-8038	Support
3731 HS SSM Health Care St. Louis	Establish 158-bed acute care hospital				
BAHR, Christina M.	Attorney	Greensfelder, Hemker & Gale, P.C.		314-241-9090	Support
BARDGETT, John Jr.	Lobbyist	John Bardgett & Associates, Inc.		636-530-9392	Support
BAUM, Carla S.	President	SSM St. Joseph Hospital of Kirkwood		314-966-1578	Support
BECHTOLD, J. David	Attorney	Husch & Eppenberger		573-761-1116	Support
CONNOLLY, David	Vice-President	Hammes Company		212-792-5900	Support
CONVERY, Paul M.D.	Chief Medical Officer	SSM Health Care St. Louis		314-989-2000	Support
CURLS, Phil B. Sr.	Lobbyist	Curls, Curls and Associates		816-923-6000	Support
DONOGHUE, Steve	Senior Medical Planner	Hammes Company		248-203-2201	Support
ESROCK, Brett	Exec. VP/Chief Op. Officer	SSM St. Joseph Hospital of Kirkwood		314-966-1578	Support
ESSAK, Sam	Senior Associate	Hammes Company		212-792-5900	Support
GALLING, Richard	President	Hammes Company		212-792-5900	Support
GIESECKE, Mike	Consultant	Health Care Futures		630-467-1700	Support
GRAUE, Michael L.	Executive Vice President	SSM Health Care St. Louis		314-989-2000	Support
HARRIS, David M.	Attorney	Greensfelder, Hemker & Gale, P.C.		314-241-9090	Support
HAUSMANN, Sherry L.	Chief Operating Officer	SSM St. Joseph Hospital of Kirkwood		314-966-1578	Support
HOVEN, Stephen B.	Vice President-Public Affairs	SSM Health Care St. Louis		314-989-2000	Support
JOHNSTON, Greg N.	Lobbyist	Johnston & Associates, Inc.		573-761-5361	Support
KIESEL, Neil	Director, Public Relations	SSM Health Care St. Louis		314-989-2000	Support
KNIGHT, Mary Ann	Vice President, Patient Care	SSM St. Joseph Hospital of Kirkwood		314-966-1578	Support
LEHMUTH, Rich	Reg. Dir., Planning Services	SSM Health Care St. Louis		314-989-2000	Support
LEVY, Ronald J.	President	SSM Health Care St. Louis		314-988-2000	Support

(Sorted by project number as they appear on the agenda)

Report Date: 03/14/05

Registered Reps for April 4, 2005, Meeting

<u>Project Name and Description</u>	<u>Name, Title and Organization Represented</u>		<u>Phone No.</u>	<u>Position Advocated</u>
MCGRATH, Ed	Partner	Health Care Futures	630-467-1700	Support
MCMANMOM, Kristen	Director, Professional Svcs.	SSM St. Joseph Hospital of Kirkwood	314-966-1578	Support
PORTER Robert G.	Executive Vice President	SSM Health Care St. Louis	314-989-2000	Support
SULLIVAN, Holly	Vice President	Hammes Company	630-836-8686	Support
TETTLEBAUM, Harvey M.	Attorney	Husch & Eppenberger	573-761-1107	Support
THOMSON, Stacey	Manager, Communications	SSM Health Care St. Louis	314-989-2060	Support
TUTTLE, Kimberly	Lobbyist	John Bardgett & Associates, Inc.	573-634-8760	Support
3729 HS	St. Anthony's Medical Center Acquire bi-plane angiography unit			
ELMORE, Craig W.	Consultant	JJEDCOE Services	913-345-0048	Support
MARINGER, Michalene D.	Chief Hospital Officer	St. Anthony's Medical Center	314-525-1000	Support
3730 HS	All Saints Special Care Center Establish 24-bed LTCH			
BARDGETT, John E., Jr.	President	John Bardgett & Associates, Inc.	636-530-9392	Support
TUTTLE, Kimberly	Lobbyist	John Bardgett & Associates, Inc.	636-530-9392	Support
WATTERS, Richard D.	Attorney	Lashly & Baer, PC	314-621-2939	Support
3727 HS	Landmark Hospital of Cape Girardeau Establish 30-bed LTCH			
WATTERS, Richard D.	Attorney	Lashly & Baer, PC	314-621-6844	Support

(Sorted by project number as they appear on the agenda)

Report Date: 03/14/05

Missouri Health Facilities Review Committee

MEETING PROTOCOL

Presenter Information

- REPRESENTATIVE REGISTRATION FORM
All presenters must complete and sign a “**Representative Registration Form**” and give the completed form to the Sign-In Coordinator **prior to speaking**. This form is available on a table near the entrance to the meeting chamber.
- APPLICANT PRESENTATION OF “KEY POINTS” AND SUMMATION
The applicant’s presentation should be a “key points summary” **based on the written application and should not exceed 10 minutes** inclusive of all presenters with 5 minutes additional time for summation before the staff wrap-up.
- WRITTEN APPLICATION REMINDER
Applicants are reminded that **no new material** beyond the written applications is to be introduced, and no materials or additional papers are to be distributed at the meeting.
- AFFECTED PARTIES PRESENTATIONS
All “affected parties” presentations are limited to 3 minutes per person, **up to a maximum per project** of 90 minutes collectively for supporting, 20 minutes for neutral, and 90 minutes for opposing presentations.
- APPLICANT SUMMATION
The summation is intended to recap the key points made by the applicant. Rebuttals of “affected parties” presentations by applicants are generally discouraged and will not normally be entertained from the floor.

General Information

- RESERVED AREA
Reserved Area is to be used by the applicant and supporters during the applicant’s presentation only and then vacated for the next group.
- PRESENTATION AREA
Individuals waiting to present shall remain clear of the presentation area until specifically called by name or upon “open call” by the chairman.
- TIME MONITOR
Prescribed time limits will be monitored by the Time Keeper. Presenters shall observe the Time Keeper’s indications of lapsed time to ensure each presenter has an opportunity to present within the allotted time.

Missouri Health Facilities Review Committee
Certificate of Need Meeting
January 24, 2005, 9:00 a.m.
House Hearing Room #7, Capitol Building, Jefferson City
(Audio tapes of proceedings are available for review at the Certificate of Need Program Office, Jefferson City.)

Minutes

Presiding: H. Bruce Nethington, Chair

Members Present: Dr. Milamari Cunningham, Vice-Chair
Senator Dan Clemens
Cathy Davis
Dorothy Fauntleroy
Representative Kenny Jones
Dr. Marion Pierson
Representative Thomas Villa
Senator Yvonne Wilson

Program Staff: Thomas R. Piper, Director
Donna Schuessler
Mike Henry

Committee Counsel: Daryl Hylton

Chair Nethington called the meeting to order at 9:05 a.m. He introduced the two newest members appointed to the Committee. They are Senator Yvonne Wilson, who replaced Senator Mary Groves Bland, and Representative Kenny Jones, who replaced Representative Larry Crawford.

Committee Business

Review and Perfect Agenda

Mr. Piper stated that there were no proposed changes to the meeting agenda.

MOTION: A motion was made by Senator Clemens, seconded by Ms. Davis, to adopt the agenda as presented. A voice vote was taken, and the motion passed.

Mission Statement

Chair Nethington read the Committee's Mission Statement.

Review of the Registered Representatives Log

Mr. Piper presented the Registered Representative Log which listed individuals who had registered either in support of, as neutral, or in opposition to, projects on the agenda. This listing enabled Committee members to identify persons who were associated with each project.

Meeting Protocol

Mr. Piper presented the Meeting Protocol to the audience. He requested that anyone who planned to speak should identify themselves; and, if they had not already completed a Representative Registration form, to make sure one was filled out and given to the CONP staff. He continued by explaining the time allotments for each speaker.

Minutes of the November 7–8, 2004, CON and Administrative Meetings

MOTION: A motion was made by Ms. Davis, seconded by Dr. Cunningham, to approve the minutes of the November 7-8, 2004, CON and Administrative meetings. A voice vote was taken, and the motion passed.

Old Business

#3694 RA: Victorian Manor of Hermann Hermann (Gasconade County) \$590,000, Confirm non-applicability letter

This proposal was deferred from the November 8, 2004, meeting because questions had been raised regarding documentation of the project costs. Since that time, the applicants had provided extensive additional information to document their ability to complete the project under the expenditure minimum.

MOTION: A motion was made by Dr. Cunningham, seconded by Senator Clemens, to approve the non-applicability letter for #3694 RA: Victorian Manor of Hermann for \$590,000. A roll call vote was taken.

Cunningham	Yes
Villa	Yes
Pierson	Yes
Davis	Yes
Fauntleroy	Yes
Clemens	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the non-applicability letter was confirmed.

New Business (expedited applications-None)

New Business (full applications)

#3695 HS: Central Care, P.A. Bolivar (Polk County) \$3,000,000, Acquire linear accelerator

Testimony was given in support of the project.

No one appeared in opposition.

MOTION: A motion was made by Senator Clemens, seconded by Dr. Cunningham, to approve project #3695 HS. A roll call vote was taken.

Villa	Yes
Cunningham	Yes
Davis	Yes
Clemens	Yes
Pierson	Yes
Fauntleroy	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the project was approved.

#3711 HS: Lee's Summit Hospital
Lee's Summit (Jackson County)
\$88,387,286, Establish 64-bed acute care hospital

Testimony was given in support of the project.

No one appeared in opposition.

MOTION: A motion was made by Ms. Davis, seconded by Ms. Fauntleroy, to approve project #3711 HS. A roll call vote was taken.

Fauntleroy	Yes
Cunningham	Yes
Davis	Yes
Villa	Yes
Clemens	Yes
Pierson	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the project was approved.

#3706 RS: Livingston County Nursing Home District
Chillicothe (Livingston County)
\$663,000, Add 7 RCF II beds

Testimony was given in support of the project.

No one appeared in opposition.

MOTION: A motion was made by Representative Villa, seconded by Dr. Cunningham, to approve project #3706 RS. A roll call vote was taken.

Villa	Yes
Davis	Yes
Pierson	Yes
Fauntleroy	Yes
Clemens	Yes
Cunningham	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the project was approved.

**#3703 RS: Living Community of St. Joseph
St. Joseph (Buchanan County)
\$4,864,400, Establish 32-bed RCF II**

Testimony was given in support of the project.

No one appeared in opposition.

MOTION: A motion was made by Dr. Pierson, seconded by Dr. Cunningham, to approve project #3703 RS. A roll call vote was taken.

Cunningham	Yes
Fauntleroy	Yes
Davis	Yes
Clemens	Yes
Villa	Yes
Pierson	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the application was approved.

**#3709 FS: South County PET Imaging, LLC
St. Louis (St. Louis County)
\$1,908,530, Replace PET unit with PET/CT unit**

Testimony was given in support of the project.

No one appeared in opposition.

MOTION: A motion was made by Representative Villa, seconded by Ms. Davis, to approve project #3709 FS. A roll call vote was taken.

Pierson	Yes
Fauntleroy	Yes
Davis	Yes
Villa	Yes
Clemens	Yes
Cunningham	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the application was approved.

**#3702 HS: Western Missouri Medical Center
Warrensburg (Johnson County)
\$1,990,406, Replace MRI unit**

Testimony was given in support of the project.

No one appeared in opposition.

MOTION: A motion was made by Ms. Davis, seconded by Ms. Fauntleroy, to approve project #3702 HS. A roll call vote was taken.

Fauntleroy	Yes
Clemens	Yes
Davis	Yes
Villa	Yes
Pierson	Yes
Cunningham	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the application was approved.

#3710 FS: MIA of St. Charles County, LLC
St. Charles (St. Charles County)
\$1,952,152, Acquire PET/CT unit

Testimony was given in support of the project.

No one appeared in opposition.

MOTION: A motion was made by Dr. Pierson, seconded by Ms. Fauntleroy, to approve project #3710 FS. A roll call vote was taken.

Davis	Yes
Clemens	Yes
Pierson	Yes
Fauntleroy	Yes
Villa	Yes
Cunningham	Yes
Jones	Yes
Wilson	Yes

The motion carried, and the application was approved.

#3708 HS: Rehabilitation Hospital of St. Louis County
Chesterfield (St. Louis County)
\$18,250,408, Establish 50-bed rehabilitation hospital

Testimony was given in support of the project.

No one appeared in opposition.

MOTION: A motion was made by Representative Villa, seconded by Dr. Cunningham, to approve project #3708 HS. A roll call vote was taken.

Cunningham	Yes
Villa	Yes
Pierson	Yes
Davis	Yes
Fauntleroy	Yes
Clemens	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the application was approved.

**#3650 FS: MEG Associates of St. Louis LLC
St. Louis (St. Louis City)
\$2,754,118, Acquire MEG unit**

Testimony was given in support of the project.

No one appeared in opposition.

MOTION: A motion was made by Ms. Davis, seconded by Ms. Fauntleroy, to approve project #3650 FS. A roll call vote was taken.

Cunningham	Yes
Villa	Yes
Pierson	Yes
Davis	Yes
Fauntleroy	Yes
Clemens	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the application was approved.

Other Business

**#3500 NP: Community Care Center of Lemay, Inc.
St. Louis (St. Louis County)
\$1,230,000, Request for second six-month extension on
CON for LTC bed expansion of 45 SNF beds**

MOTION: A motion was made by Representative Villa, seconded by Ms. Fauntleroy, to approve a second six-month extension to April 24, 2005. A roll call vote was taken.

Cunningham	Yes
Villa	Yes
Pierson	Yes
Jones	Yes
Davis	Yes
Fauntleroy	Yes
Clemens	Yes
Wilson	Not Available

The motion carried, and the extension request was approved.

**#3346 HS: Wright County Regional Medical Center
Mansfield (Wright County)
\$6,925,214, Potential forfeiture of CON to
establish 25-bed critical access hospital**

MOTION: A motion was made by Senator Clemens, seconded by Ms. Davis, to forfeit project #3346 HS. A roll call vote was taken.

Clemens	Yes
Cunningham	Yes
Villa	Yes
Pierson	Yes
Davis	Yes
Fauntleroy	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the project was forfeited.

**#3623 FM: Insight Health Corporation
Chesterfield (St. Louis Co.), O'Fallon (St. Charles Co.),
and Marshall (Saline Co.)
\$2,197,024, Reissue CON to add Lester E. Cox Medical Center
Springfield (Greene County)**

MOTION: A motion was made by Ms. Davis, seconded by Ms. Fauntleroy, to reissue the CON to add a site. A roll call vote was taken.

Clemens	Yes
Cunningham	Yes
Villa	Yes
Pierson	Yes
Davis	Yes
Jones	Yes
Fauntleroy	Yes
Wilson	Not Available

The motion carried, and the CON would be reissued.

**#3377 HM: Advance Care Hospital
St. Louis (St. Louis County)
\$5,074,887, Reissue CON to change site and owner,
for cost overrun of \$905,561, and second extension**

MOTION: A motion was made by Ms. Davis, seconded by Dr. Cunningham, to reissue the CON to change the site and owner, to approve the cost overrun, and grant a second extension to June 30, 2005. A roll call vote was taken.

Cunningham	Yes
Villa	Yes
Pierson	Yes
Davis	Yes
Fauntleroy	Yes
Clemens	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the CON would be reissued.

**#3671 HM: DMS Imaging, Inc.
Liberty (Clay County)
\$1,738,980, Reissue CON to add Freeman Health System
Joplin (Newton County)**

MOTION: A motion was made by Ms. Davis, seconded by Senator Clemens, to reissue the CON to add a site to the mobile PET/CT route. A roll call vote was taken.

Cunningham	Yes
Villa	Yes
Pierson	Yes
Davis	Yes
Fauntleroy	Yes
Clemens	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the CON would be reissued.

#3485 HM: Nuclear Imaging Services, LLC
St. Joseph (Buchanan Co.), Clinton (Henry Co.), Sedalia
(Pettis Co.), Excelsior Springs (Clay Co.), Cameron
(Clinton Co.), Richmond (Ray Co.), and Jefferson City (Cole Co.)
\$1,450,000, Reissue CON to add Carroll County Memorial Hospital,
Carrollton (Carroll Co.) and Northwest Medical Center, Albany (Gentry Co.)

MOTION: A motion was made by Ms. Davis, seconded by Senator Clemens, to reissue the CON to add two sites to the mobile PET/CT route. A roll call vote was taken.

Cunningham	Yes
Villa	Yes
Pierson	Yes
Davis	Yes
Fauntleroy	Yes
Clemens	Yes
Jones	Yes
Wilson	Not Available

The motion carried, and the CON would be reissued

As there was no further business, the meeting adjourned at approximately 1:55 pm.

I, H. Bruce Nethington, Chair, Missouri Health Facilities Review Committee, certify that the Committee has on this day, April 4, 2005, reviewed and approved these minutes of the January 24, 2005, Certificate of Need Meeting.

H. Bruce Nethington, Chair

April 4, 2005
Date

Missouri Health Facilities Review Committee
Administrative Meeting
January 24, 2005, 2:00 pm
House Hearing Room #7, Capitol Building, Jefferson City
(Audio tapes of proceedings are available for review at the Certificate of Need Program Office, Jefferson City.)

Minutes

Presiding: H. Bruce Nethington, Chair

Members Present: Dr. Milamari Cunningham, Vice-Chair
Senator Dan Clemens
Cathy Davis
Dorothy Fauntleroy
Representative Kenny Jones
Dr. Marion Pierson
Representative Thomas Villa
Senator Yvonne Wilson

Program Staff: Thomas R. Piper, Director
Donna Schuessler
Mike Henry

Committee Counsel: Daryl Hylton

Chair Nethington called the meeting to order at 2:00 pm.

Opening Topics

Perfection of Agenda

Mr. Piper stated that there were no changes to the agenda. The agenda was adopted by consensus.

Legal Counsel Report

Daryl Hylton presented the legal counsel report.

Regular Activities

Report of Non-Applicability Letters Issued

MOTION: A motion was made by Representative Villa, seconded by Dr. Cunningham, to confirm the Non-Applicability CON letters signed by the Chair from October 15, 2004, through December 29, 2004. A voice vote was taken, and the motion carried.

Expedited Review Decisions

Mr. Piper reviewed the expedited review decisions for November 22 and December 23, 2004,

Tentative Agendas

Mr. Piper reviewed the January 24 and February 23, 2005, tentative CON ballot agendas. He also reviewed the March 21, 2005, CON meeting agenda.

MHFRC Meeting Calendar

There was discussion concerning scheduling conflicts relating to the March 21 meeting. It was decided to change the meeting date to April 4, 2005.

MOTION: A motion was made by Dr. Cunningham, seconded by Ms. Davis, to change the date of the next meeting to April 4, 2005. A voice vote was taken, and the motion carried.

Specific Management Issues

Rules and Practices

Mr. Piper stated the Committee had made the decision to step away from working on the Rules for long-term care and, instead, look at the Rules for new hospitals, replacement hospitals, and equipment. He went on to say that, as part of that process, Staff had been instructed to survey other states in order to gather information on their CON review requirements for these specific services. So far, out of the 36 CON states who were sent a survey, approximately half had responded. He went on to say that the format and content of the information which has been received so far has been very inconsistent. It would be a challenge to do a comparative analysis of the information.

Legislative Issues

No new information was presented.

CON Program Agency Activities

Mr. Nethington stated that six of the nine Committee members responded to his request for comments relating to Mr. Piper's performance evaluation. He asked that the Committee go into closed session for the purpose of discussing Mr. Piper's performance evaluation.

MOTION: A motion was made by Ms. Davis, seconded by Dr. Cunningham, to go into closed session for the purpose of making performance ratings pertaining to an individual employee. A voice vote was taken, and the motion carried.

Following the closed session, the regular CON meeting adjourned at approximately 3:00 pm.

I, H. Bruce Nethington, Chair, Missouri Health Facilities Review Committee, certify that the Committee has on this day, April 4, 2005, reviewed and approved these minutes of the January 24, 2005, Administrative Meeting.

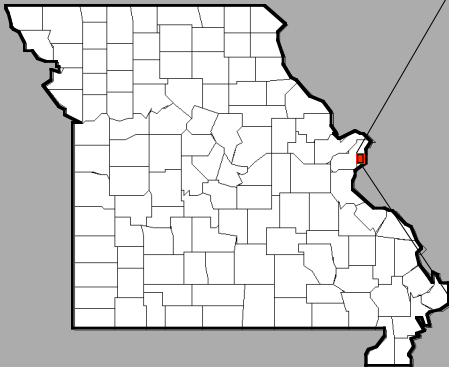
H. Bruce Nethington, Chair

April 4, 2005
Date

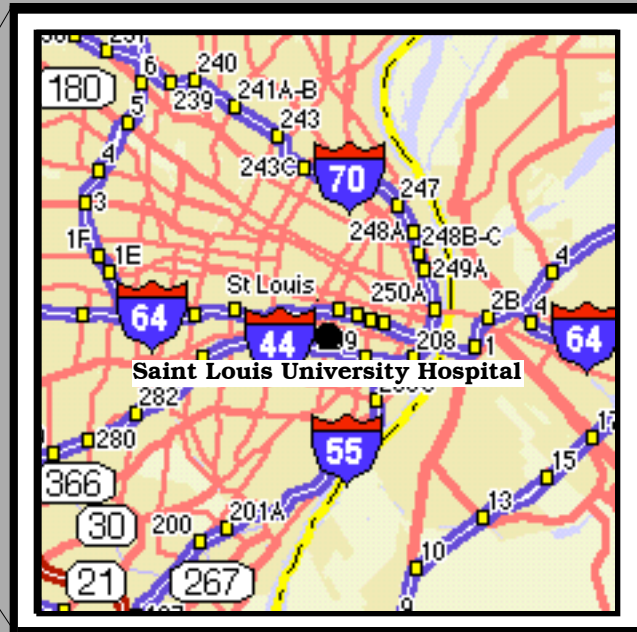
**NO OLD
BUSINESS**

#3716 HS: Saint Louis University Hospital

Acquire Additional Angiography Unit



Location in Missouri



View of Proposed Site

Applicant: Saint Louis University Hospital (owner/operator)

Contact Person: James F. Eikmann, 314-577-8038

Location: 3635 Vista Avenue at Grand Boulevard
St. Louis 63110-0250 (St. Louis City)

Cost: \$2,953,996 (*Recommend \$2,353,996*)

Appl. Rec'd: January 6, 2005

100 Days Ends: April 16, 2005 (30-Day Extension: May 16, 2005)

Summary: *Based on the following Certificate of Need Rules:*

- Application Summary..... 19 CSR 60-50.430(3)..... Documented
- Proposal Description19 CSR 60-50.430(4)Documented
- Community Need19 CSR 60-50.440(2)Documented
- Financial Feasibility19 CSR 60-50.470(1-4)Documented

#3716 HS: Saint Louis University Hospital

APPLICATION SUMMARY:

The application summary was complete.

1. The Applicant Identification and Certification form was complete.
2. The Registered Representative form for the Contact Person was complete.
3. The Proposed Project Budget was complete.

PROPOSAL DESCRIPTION:

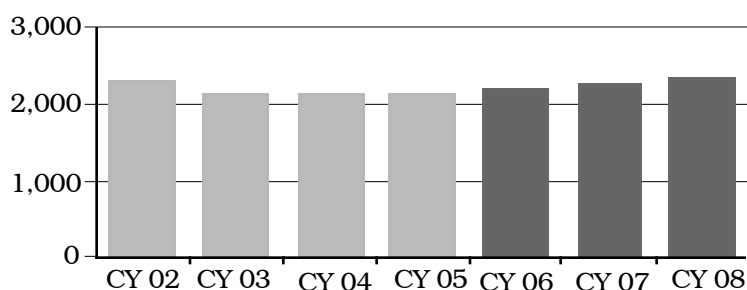
The detailed project description was complete, and community awareness and support was documented.

1. The applicant proposes to **acquire an additional angiography unit**. The new unit would be a Siemens AXIOM Artis dBA System. It would be a biplane unit which would provide 3-D angiography, digitally enhanced images, a reduction in procedure times, and reduced radiation. Currently the hospital has one dedicated angiography suite. The new unit would be installed near the existing unit.
2. The applicant stated that Saint Louis University Hospital is a designated Level I Trauma Center for Missouri and Illinois. The majority of their patients come from within the 150-mile radius served by the Area Rescue Consortium of Hospitals (ARCH). ARCH is a St. Louis-based medical helicopter/air ambulance service.
3. The applicant identified their primary service area as a 150-mile radius (see map below) which they documented with discharge data. The 2009 projected population for Missouri, provided by Claritas, Inc., is 3,251,978. The applicant's service area also includes portions of Illinois, Indiana and Kentucky. The 2009 projected population for areas outside of Missouri is 2,927,126.



#3716 HS: Saint Louis University Hospital

4. According to the applicant, the specific problems this proposal is designed to address include the following:
 - The number of difficult neurosurgical cases transferred to Saint Louis University from Illinois has increased because neurosurgeons in Illinois community hospitals typically do not respond to trauma calls since these types of cases have a higher incidence of malpractice associated with them;
 - There have been four times over the past 24 months when the current equipment has failed during a procedure which resulted in poor outcomes for the patient;
 - There has been an increase in the number of cases which involve bleeding in the brain which takes significantly more time than non-neurosurgical cases; and
 - There is greater risk of perforating a vessel using the conventional two planes of view associated with the existing unit.
5. The applicant provided utilization as shown on the graph below:



The applicant stated that utilization projections were based on past and current utilization, and were adjusted based on the additional capacity and improved technology associated with the proposed unit.

6. A copy of a notification letter sent to 32 facilities in the geographic service area to document that they had been made aware of the project and given an opportunity to comment on it.
7. Five letters of support from healthcare facilities in Missouri were included in the application. The applicant also included three letters of support from Illinois facilities located in the geographic service area. No opposition has been expressed on the project.

COMMUNITY NEED CRITERIA AND STANDARDS:

The applicant documented a need according to the "Equipment and New Hospitals" Criteria and Standards.

1. There are no specific Criteria and Standards for angiography equipment. The most closely-related standard would be cardiac catheterization which is 750 procedures annually for an additional unit. The applicant's annual utilization easily exceeds this amount (see the chart above). However, the applicant stated that need for the additional unit was based on the number of neurosurgical trauma cases being done at Saint Louis University Hospital. In addition, physicians handling trauma cases have expressed concern with the number of times the existing unit has failed, and the impact that has on patient outcomes.

St. Anthony's Medical Center, who also has a proposal on this agenda for an additional angiography unit, is in the Saint Louis University Hospital geographic service area. St. Anthony's Medical Center has indicated that they do not believe there would be any impact on their utilization after both new units become operational.

#3716 HS: Saint Louis University Hospital

2. The Criteria and Standards for Evolving Technology do not apply.

FINANCIAL FEASIBILITY CRITERIA AND STANDARDS:

Financial feasibility of the project was documented.

1. The Proposed Project Budget shows the following costs:

Renovation:	\$600,000
Major Medical Equipment:	\$2,353,996 (Bid quote provided)
Total:	\$2,953,996

The applicant included renovation costs which are not part of the equipment cost. It is recommended that the **project cost be reduced to \$2,353,996**. The applicant was asked why the cost of their equipment, which is similar to the unit being proposed by St. Anthony's Medical Center, is higher. They provided a comparison of the various options each facility is proposing to obtain which shows that Saint Louis University Hospital is acquiring several additional options not included in St. Anthony's Medical Center's proposal.

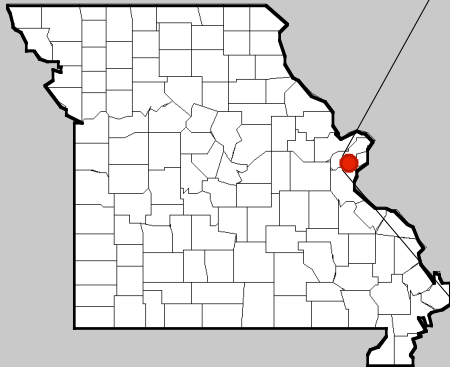
2. The applicant stated that the project would be financed by Tenet Healthcare Corporation. A copy of the Securities and Exchange Commission Form 10-K was provided to document availability of funds.
3. Financial projections indicate that the project would be financially feasible.
4. The estimated average charge per procedure for 2002 through 2005 was \$2293, \$2135, \$2132, and \$2151, respectively. Projected charges for 2006 through 2008 are \$2216, \$2282, and \$2350, respectively. When compared to the current and projected charges in the St. Anthony's Medical Center proposal for an additional angiography unit, also on this agenda, Saint Louis University Hospital's charges are consistently lower.
5. The applicant stated that they would continue to provide charity care to the medically indigent. The amount of charity care provided in 2002 through 2004 was approximately \$12 million, \$27.5 million, and \$22 million, respectively.

ADDITIONAL INFORMATION:

A moderate amount of additional information was requested. A copy of that information is in the application included in the Compendium mailing.

#3731 HS: SSM Health Care St. Louis

Establish 158-Bed Acute Care Hospital



Location in Missouri



View of Proposed Site

Applicant: SSM Health Care St. Louis (Owner/Operator)

Contact Person: Rich Lehmuth, 314-989-2000

Location: 1015 Bowles Avenue
St. Louis 63026 (St. Louis County)

Cost: \$188,522,000

Appl. Rec'd: January 7, 2005
100 Days Ends: April 18, 2005 (30-Day Extension: May 18, 2005)

Summary: *Based on the following Certificate of Need Rules:*

- Application Summary..... 19 CSR 60-50.430(3).....Documented
- Detailed Description 19 CSR 60-50.430(4)Documented
- Community Need19 CSR 60-50.440(1-4)**Part. Documented**
- Financial Feasibility19 CSR 60-50.470(1-4)Documented

#3731 HS: SSM Health Care St. Louis

APPLICATION SUMMARY:

The application summary was complete.

1. The Applicant Identification and Certification form was complete.
2. The Registered Representative forms for the Contact Person and 27 other parties were complete.
3. The Proposed Project Budget form was complete.

PROPOSAL DESCRIPTION:

The detailed project description was complete, and community awareness and support was documented.

1. The applicant proposes to **establish a new 158-bed acute care hospital**. The new facility would have approximately 368,521 square feet of space. The new facility is intended to “replace” the existing 273-bed SSM St. Joseph Hospital of Kirkwood. The proposed facility would be located approximately 4.4 miles away from the existing hospital. The following table compares the existing and proposed facilities by medical specialty:

<u>Medical Specialty</u>	<u>Existing Facility</u>	<u>Proposed Facility</u>
Medical/Surgical	228	118
Intensive Care	14	20
Obstetrical	14	10
Rehabilitation	17	10
TOTAL	273	158

If the new facility is approved and licensed, the applicant would close the existing hospital. The applicant stated that the existing building would not be used later as a hospital; however, the final disposition is yet to be determined.

The applicant stated that the new hospital would have all private rooms and would feature the latest in clinical technology and information systems, a 24-hour emergency department and an outpatient care center. The campus would also include a medical office building.

A substantial amount of medical equipment would be transferred from the existing hospital. However, due to the age of some of the existing equipment, the applicant would replace a MRI, CT scanner, linear accelerator, cardiac catheterization equipment and special procedures equipment. In addition, the applicant proposes to acquire equipment for an additional cardiac catheterization lab.

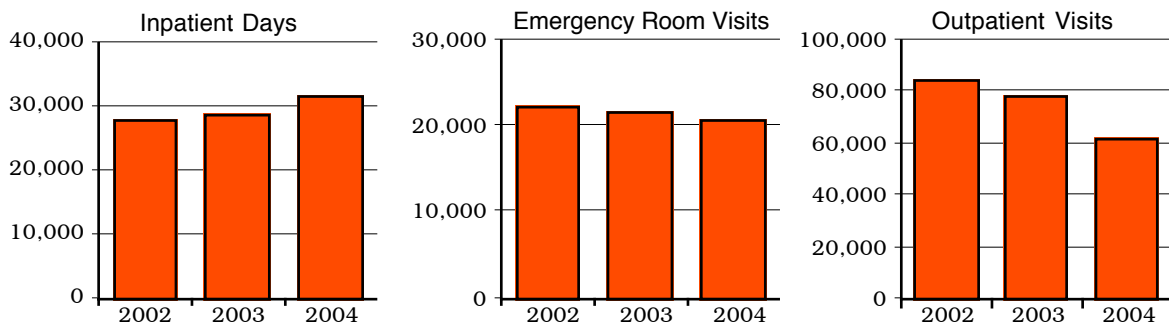
2. The applicant provided a site plan for the proposed facility. Preliminary schematics were not provided. However, the applicant did provide concept plans showing the proposed layout of the facility. The application did include a letter from the Department of Health and Senior Services indicating that the concept plans had been reviewed and were sufficiently compliant with state regulations to warrant the development of more detailed plans. A copy of the purchase agreement, plus an Assignment of Agreements for the proposed site, was provided to document site control.
3. Pursuant to 19 CSR 60-50.300(17), “**service area**” means a geographic region appropriate to the proposed service, documented by the applicant and approved by the Committee. Thus, the reasonableness, accuracy and appropriateness of the proposed service area has been evaluated in terms of documentation, completeness and responsiveness.

#3731 HS: SSM Health Care St. Louis

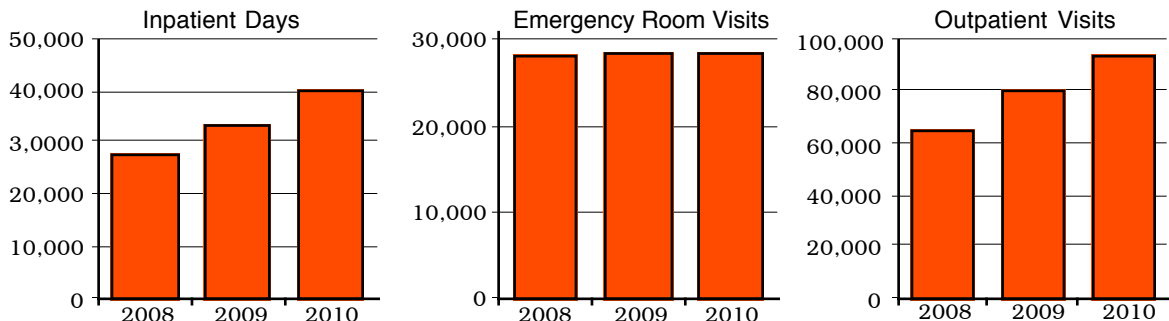
Based on the 2003 discharge data for the existing hospital, the applicant identified a primary service area consisting of 18 zip codes (63010, 63012, 63016, 63021, 63025, 63026, 63049, 63051, 63052, 63069, 63088, 63122, 63123, 63125, 63126, 63127, 63128 and 63129, see map on following page) from which they have historically received more than 70% of their patients. The year 2005 population of those zip codes is estimated by the Bureau of Health Data Analysis to be 462,815. The proposed service area has been documented by discharge data for the existing hospital and **appears to be reasonable**.

4. According to the applicant, the specific community problems this project is designed to address include the following:
 - The existing hospital is located in a residential area which is not on a major street or highway; thus, improved access is needed for community residents, physicians and emergency response personnel;
 - The existing facility was built in 1939 as a merchant marine hospital, and it was not designed to function as a community hospital;
 - The existing facility has outdated heating and cooling systems which are inefficient and costly to operate;
 - The existing facility is landlocked on a 18-acre site which does not support expansion or the ability to meet the need for additional outpatient services; and
 - The proposed all-private room concept is needed to improve overall satisfaction and quality of care for patients, their families, and staff of the facility.
5. For the Committee's information, the applicant provided historical utilization for the "existing" hospital and projected utilization for the "new" hospital as shown on the charts below:

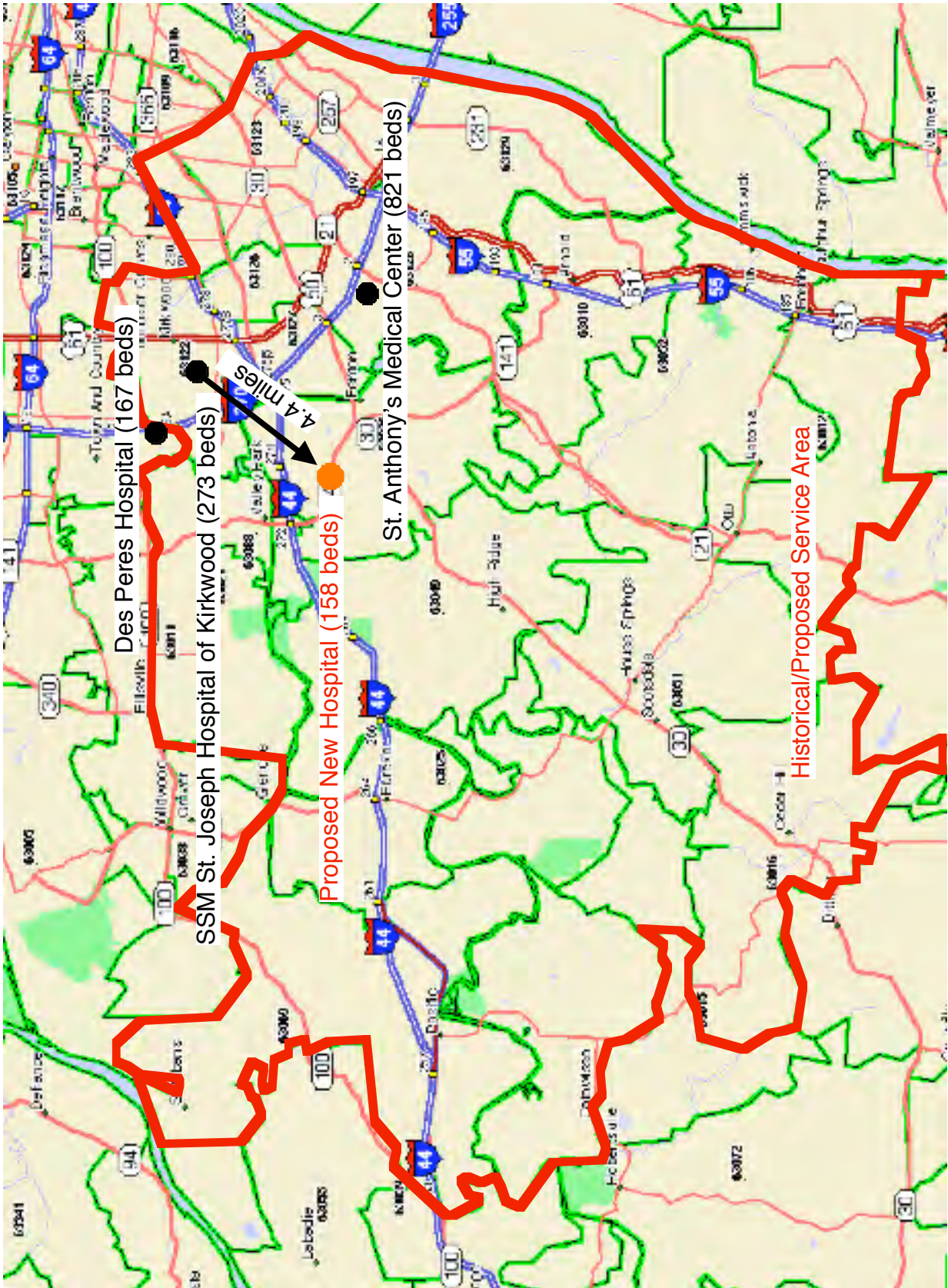
Historical Utilization for "Existing" SSM St. Joseph Hospital of Kirkwood



Projected Utilization for "New" SSM Hospital



The applicant described the methods and assumptions used to project utilization for the new facility. The estimates were based on a methodology developed by SG-2, LLC, which considers numerous factors including population, reimbursement sources, technology, economy, socio-cultural factors and the shift to outpatient services.

#3731 HS: SSM Health Care St. Louis

6. To assess consumer needs, the applicant contracted with Pragmatic Research, Inc., to conduct focus groups regarding services provided by the existing hospital and other area hospitals. The applicant also contracted with Professional Research Consultants to conduct telephone surveys regarding services in the southwest St. Louis area. In addition, the applicant plans to work with a firm called IDEO to work with patients, physicians and staff, plus experts from across the country to design and develop the final facility. Also, a resolution in support of the project from the Fenton Board of Aldermen was received.
7. As of March 11, 2005, 69 letters of support have been received, including 12 from the community, two from business, 46 from health care professionals, five from area legislators (Congressman William Lacy Clay, Congressman Todd Akin, Senator Timothy Green, Senator Maida Coleman, Representative Jodi Stefanick and Representative Jim Avery) and three from local elected officials.

One e-mail has been received asking that the hospital be kept in Kirkwood.

COMMUNITY NEED CRITERIA AND STANDARDS:

*A need according to the Criteria and Standards for "Equipment and New Hospitals" was **partially documented**.*

1. New hospital Criteria and Standards apply to this project.

Describe the methodology used to determine need:

The applicant indicated that the new state-of-the-art facility is needed to replace an outdated hospital building which is located on a landlocked campus of only 18 acres. Also, the existing hospital does not provide sufficient access to area residents.

The applicant addressed the criteria and standards for new hospitals. However, the applicant believes that it should be reviewed as a replacement facility, and has also offered an alternative methodology patterned after the Criteria and Standards for replacement equipment as follows:

- *Describe the financial rationale for the proposed replacement hospital.*
The existing facility is aging, energy inefficient and requires extensive repairs just to maintain the current level of services; space is inadequate to incorporate modern technology.
- *Document if the existing facility has exceeded its useful life.*
According to the American Hospital Association (AHA) Estimated Useful Lives of Depreciable Hospital Assets (revised 2004 edition), the longest useful life of a hospital building is 40 years; the core structure of the existing hospital is 65 years old and has exceeded its useful life.
- *Describe the effect the replacement unit would have on quality of care.*
The proposed facility would be designed to focus on creating a safe, effective and patient-centered environment with private patient rooms which would provide adequate space to treat patients with various levels of acuity and provide adequate space for family members.
- *Document if the existing facility is in constant need of repair.*
The original hospital was constructed in 1939; it has numerous plant and infrastructure limitations; heating and cooling systems are outdated and inefficient, and the building requires asbestos abatement, fire sprinkler systems and fireproofing.
- *Document if the lease on the current facility has expired.*
The current facility is not leased.

- *Describe the technological advances provided by the replacement hospital.*
The proposed hospital would incorporate the most modern, effective and efficient architectural design, clinical equipment and information systems.
- *Describe how patient satisfaction would be improved.*
Patient satisfaction would be improved through improved accessibility and through safe, effective, patient-centered, timely, efficient and equitable care.
- *Describe how patient outcomes would be improved.*
Patient outcomes would produce evidence-based process improvements, the latest clinical and information technology, and a physical environment that enables and supports improvements.
- *Describe what impact the replacement hospital would have on utilization.*
The purpose of the project is to replace an existing outdated, under-utilized facility. By reducing the number of beds in the area by 115, overall utilization of beds in the community would increase.
- *Describe any new capabilities that the replacement hospital would provide.*
The new 54-acre campus would provide a convenient outpatient care center and a medical office building, the new hospital would include a 24-hour emergency room and comprehensive medical/surgical services including heart, cancer, orthopedics and women's services, plus a full range of imaging, lab testing and other diagnostic services.
- *By what percent will this replacement increase patient charges.*
The applicant stated that patient charges would not increase as a result of this project.

Document occupancy of other hospitals in the service area:

According to the 2003 Missouri Hospital Profiles, the occupancy of existing facilities in the applicant's service area was as follows:

<u>Facility</u>	<u>Lic. Beds</u>	<u>Staffed Beds</u>	<u>Staffed Occup.</u>	<u>Licensed Occup.</u>
Des Peres Hospital	167	127	78.2%	59.4%
St. Anthony's Medical Center	814	580	66.5%	47.4%
SSM St. Joseph Hospital of Kirkwood	273	242	37.1%	32.9%

As shown above, neither of the other two hospitals in the service area meet the occupancy standard of 80%. However, the applicant states that outpatient volume should also be considered.

Impact on other hospitals:

The applicant believes that the proposed facility would have little impact on the other two facilities in the service area since the new hospital would continue to serve the same population that the existing hospital already serves.

Population-based methodology:

The population-based need formula [**Unmet Need = (S x P) – U**] applies to each of the proposed types of beds.

where: S = Service-specific need rate
 P = Year 2005 population in the service area
 U = Number of beds in the applicant's service area

Since the applicant proposes to close the existing hospital when the new hospital is licensed, when applying the formula to each of the proposed types of beds, the bed inventory will not include the applicant's existing beds.

The medical/surgical (M/S) bed need (including ICU/CCU beds) would be:

Unmet need = $(0.0017543 \times 462,815) - 676 = \mathbf{136 \text{ M/S beds needed}}$, which is two less than the 138 M/S and ICU/CCU beds in the proposed facility.

The inpatient rehabilitation bed need would be:

Unmet need = $(0.00011 \times 462,815) - 66 = \mathbf{15 \text{ rehab. beds surplus}}$, before adding in the ten beds in the proposed facility.

The obstetrical (OB) bed need would be:

Unmet need = $(0.00017 \times 462,815) - 42 = \mathbf{37 \text{ OB beds needed}}$, which exceeds the 10 OB beds in the proposed facility

2. The replacement equipment Criteria and Standards apply to cardiac catheterization equipment, linear accelerator, MRI, CT scanner and special procedures equipment:

Cardiac Catheterization Equipment:

- a. The financial rationale for replacing the current cardiac catheterization equipment results from increasing repair costs and down time.
- b. The existing equipment is five years old and will be more than eight years old when the new hospital is opened, thus it will exceed the current AHA "useful life guideline" of five years.
- c. Quality of care would be improved by providing access to contemporary technology.
- d. The current equipment has required more than \$122,574 in repair costs in the past four years.
- e. The current equipment is not leased.
- f. The proposed equipment would incorporate the latest advances in medical technology.
- g. Patient satisfaction would be enhanced through improved coordination and accessible care in a safe environment.
- h. The proposed equipment would be selected based on its ability to improve safety and clinical outcomes.
- i. The replacement equipment is not expected to have an impact on utilization.
- j. Since the proposed equipment would not be acquired until 2008, any new capabilities are not yet known.
- k. Patient charges are not expected to increase due to the new equipment.

Linear Accelerator:

- a. The financial rationale for replacing the current linear accelerator results from the advancing age of the existing 17-year-old equipment.
- b. The existing 17-year-old equipment exceeds the current AHA "useful life guideline" of seven years.

- c. Quality of care would be improved by the new equipment which is expected to include ToMoTherapy, which would offer more precise dosage and targeting.
- d. The current equipment has required more than \$107,703 in repair costs in the past four years.
- e. The current equipment is not leased.
- f. The proposed equipment would incorporate the latest advances in medical technology including ToMoTherapy which would offer many of the advantages currently provided by Gamma Knife or Cyber Knife systems.
- g. Patient satisfaction would be improved due to a reduction in the number of treatments required by the proposed new unit.
- h. Patient outcomes would be improved through fewer treatments and reduced damage to healthy tissue surrounding a tumor.
- i. The replacement equipment is not expected to have an impact on utilization.
- j. The basic new capability would be ToMoTherapy which may be used as a radiosurgery device.
- k. Patient charges are not expected to increase due to the new equipment.

MRI:

- a. The financial rationale for replacing the current MRI results from increasing repair costs and down time.
- b. The existing 6-year-old equipment exceeds the current AHA “useful life guideline” of five years.
- c. Quality of care would be improved by providing a new 3.0 Tesla unit which could offer improved image clarity and resolution, resulting in more expedient and specific diagnoses.
- d. The current equipment has required more than \$409,274 in repair costs in the past four years.
- e. The current equipment is not leased.
- f. The basic technological advances to be provided by the new MRI would be better images to be taken in considerably less time.
- g. Patient satisfaction would be improved through shortened procedure times and improved diagnoses.
- h. The proposed equipment would be selected based on its ability to improve clinical outcomes.
- i. The replacement equipment would improve utilization due to faster scan times and the ability to do advanced cardiac and neurologic imaging.
- j. The proposed equipment would allow for better images of all organs and tissues and would allow for advanced images to be taken of the heart and surrounding vessels, as well as the brain and spinal cord.
- k. Patient charges are not expected to increase due to the new equipment.

CT Scanner:

- a. The financial rationale for replacing the current CT scanner results from increasing repair costs and down time.
- b. The existing 8-year-old equipment exceeds the current AHA “useful life guideline” of five years.
- c. Quality of care would be improved by providing a new 128-slice unit which would allow for faster scanning and reduced radiation exposure.
- d. The current equipment has required more than \$221,516 in repair costs in the past four years.
- e. The current equipment is not leased.
- f. The basic technological advances to be provided by the new CT would be superior image quality and three dimensional images.
- g. Patient satisfaction would be improved through shortened procedure times and improved diagnoses.
- h. Clinical outcomes through faster diagnoses and reduced radiation exposure.
- i. The replacement equipment would improve utilization due to faster scan times and the ability to do a broader array of diagnostics.
- j. The proposed equipment would allow for CT angiography and virtual colonoscopy.
- k. Patient charges are not expected to increase due to the new equipment.

Special Procedures Equipment:

- a. The financial rationale for replacing the current special procedures equipment results from increasing repair costs and down time.
- b. The existing 12-year-old equipment exceeds the current AHA “useful life guideline” of eight years.
- c. The replacement equipment would improve quality of care would be improved by providing improved image quality and clarity, and the digital images would be stored electronically.
- d. The current equipment has required more than \$143,734 in repair costs in the past four years.
- e. The current equipment is not leased.
- f. The new equipment would offer the latest technological advances.
- g. Patient satisfaction would be improved through shortened procedure times and through better coordination and accessibility to care.
- h. Clinical outcomes through faster diagnoses, and the ability to do therapeutic and interventional coronary and vascular procedures.
- i. The replacement equipment is not expected to have an impact on utilization.

- j. The replacement equipment would allow the applicant to focus more on therapeutic and interventional coronary and vascular procedures rather than basic diagnostic work being done with the existing equipment.
- k. Patient charges are not expected to increase due to the new equipment.
- 3. Additional unit Criteria and Standards apply to the acquisition of equipment for a second cardiac catheterization lab. This standard states that the applicant's annual optimal utilization for the existing cardiac catheterization equipment should be at least 750 procedures. A total of 1,187 procedures were performed with the existing equipment in 2004; thus this **standard has been met**.
- 4. Long Term Care Criteria and Standards do not apply to this proposal.
- 5. Other Health Services and Emerging Technology Criteria and Standards do not apply to this proposal.

FINANCIAL FEASIBILITY CRITERIA AND STANDARDS:

Financial feasibility of the project was documented.

- 1. The Proposed Project Budget shows the following costs:

Construction:	\$103,553,000	(\$281.00/sq. ft.)
Equipment:	45,963,000	
Land:	11,463,000	(Purchase Agreement Provided)
Interest During Const.:	14,026,000	
Fees:	13,517,000	(Arch./Engr.)
Total:	\$188,522,000	

The applicant's construction cost of \$281.00 per square foot is very close to the 2005 RS Means Cost Data 3/4 percentile of \$280.78 per square foot for hospital construction in the St. Louis area.

- 2. The application indicates that the project would be financed through tax-exempt bonds. The application included a letter from UBS Financial Services, Inc., stating their willingness to serve as the underwriter for the bond issue.
- 3. The applicant's financial projections indicate that the project would be financially feasible.
- 4. The applicant provided patient charges information based upon adjusted patient days to factor in outpatient services. Estimated average charges for 2008 through 2010 are \$2452, \$2677 and \$2872, respectively. The projections assume an average increase of approximately 8% per year.
- 5. The applicant indicates that the new hospital would be responsive to the medically indigent by acting in accordance with the existing SSM Health Care charity care policy (copy provided in the application).

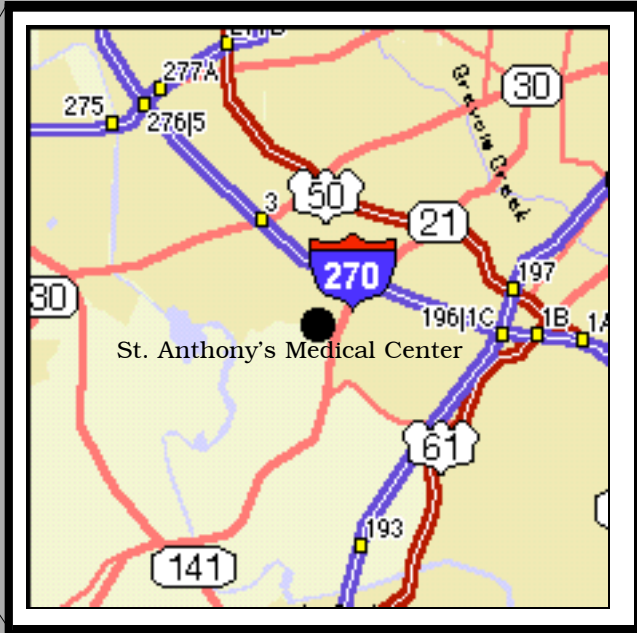
ADDITIONAL INFORMATION:

A moderate amount of additional information was requested and provided during the review process. A copy of that information is included in the project application in the Compendium mailing.

#3729 HS: St. Anthony's Medical Center

A map of the state of Missouri, divided into its 115 counties. The county of St. Louis is highlighted in red, indicating its location on the eastern border of the state.

Location in Missouri



View of Proposed Site

Applicant: St. Anthony's Medical Center (owner/operator)

Contact Person: Michalene D. Maringer, 314-525-1058

Location: 10010 Kennerly Road
St. Louis 63128 (St. Louis County)

Cost: \$2,200,000

Appl. Rec'd: January 7, 2005

100 Days Ends: April 17, 2005 (30-Day Extension: May 17, 2005)

Summary: *Based on the following Certificate of Need Rules:*

- Application Summary..... 19 CSR 60-50.430(3)..... Documented
- Proposal Description19 CSR 60-50.430(4)Documented
- Community Need19 CSR 60-50.440(2)Documented
- Financial Feasibility19 CSR 60-50.470(1-4)Documented

#3729 HS: St. Anthony's Medical Center

APPLICATION SUMMARY:

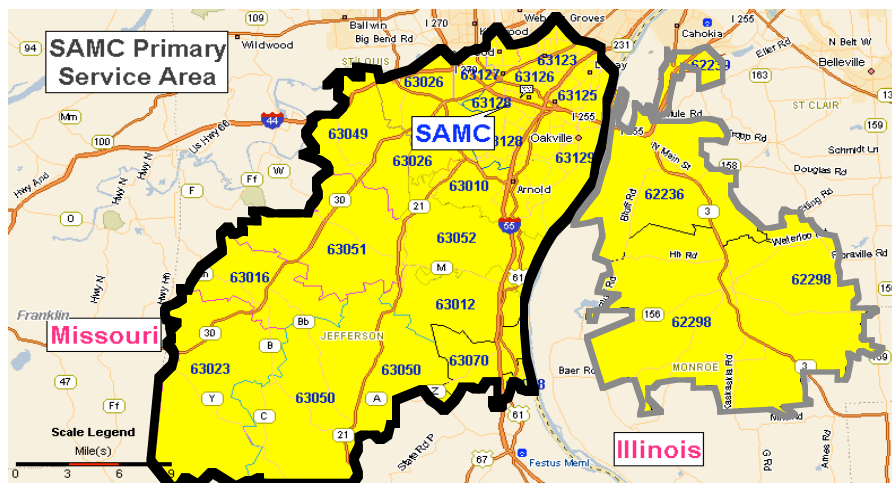
The application summary was complete.

1. The Applicant Identification and Certification form was complete.
2. The Registered Representative forms for the Contact Person and one other individual were complete.
3. The Proposed Project Budget was complete.

PROPOSAL DESCRIPTION:

The detailed project description was complete, and community awareness and support was documented.

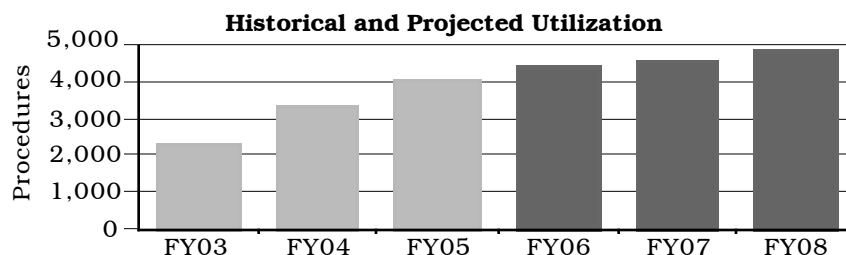
1. The applicant proposes to **acquire an additional angiography unit**. The new unit would be a Siemens AXIOM Artis dBA System. It would be a biplane unit which would provide 3-D angiography, digitally enhanced images, a reduction in procedure times, and reduced radiation.
2. Currently the hospital has one dedicated angiography suite. Upon completion of the project, the multi-purpose room, which is also used from some angiography procedures, would no longer be used for angiography procedures.
3. The applicant identified their primary service area as 19 zip codes in Missouri (see map below). The applicant's service area also includes portions of Illinois. The applicant provided 2008 projected population of 360,104 for the Missouri zip codes from the Hospital Industry Data Institute (HIDI). The applicants total projected 2008 service area population (Missouri and Illinois counties) is 717,745.



4. According to the applicant, the specific problems this proposal is designed to address include the following:
 - A multi-purpose room is being used approximately one quarter of the time for angiography procedures; it was not originally designed for that use;
 - Overtime hours associated with angiography procedures will be approximately 2,500 hours this fiscal year, an increase of over 2,000 hours since fiscal year 2002;
 - The current hardware is sub-optimal for many stroke patients who are in need of immediate diagnosis and treatment; and
 - Scheduling problems occur because of increasing utilization.

#3729 HS: St. Anthony's Medical Center

5. The applicant provided utilization as shown on the graph below:



The applicant stated that utilization projections were based on past and current utilization and were adjusted based on the additional capacity and improved technology associated with the proposed unit.

6. A copy of a public notice published in the *St. Louis Business Journal* was provided to document that the community was made aware of the project and given an opportunity to comment on it.
7. One letter of support from a physician was included in the application. No opposition has been expressed on the project.

COMMUNITY NEED CRITERIA AND STANDARDS:

The applicant documented a need according to the "Equipment and New Hospitals" Criteria and Standards.

1. There are no specific Criteria and Standards for angiography equipment. The most closely-related standard would be cardiac catheterization which is 750 procedures annually for an additional unit. The applicant's annual utilization easily exceeds this amount (see the chart above). However, the applicant stated that, based on normal workdays, an angiography suite will accommodate approximately 1,530 procedures annually. In FY 04, the applicant's equipment performed 3,363 angiography procedures.
2. The Criteria and Standards for Evolving Technology do not apply.

FINANCIAL FEASIBILITY CRITERIA AND STANDARDS:

Financial feasibility of the project was documented.

1. The Proposed Project Budget shows the following cost:
- Major Medical Equipment: \$2,200,000 (Bid quote provided)
2. The applicant stated that the project would be funded through unrestricted funds. A copy of the latest audited financial statement was provided to document that funds are available.
3. Financial projections indicate that the project would be financially feasible.
4. The estimated average charge per procedure for 2003 through 2005 was \$1971, \$2302, \$2553, respectively. Projected charges for 2006 through 2008 are \$2513, \$2504, and \$2490, respectively. The applicant stated that charges would decrease as a result of

#3729 HS: St. Anthony's Medical Center

anticipated growth in outpatient cases. When compared to the projected charges in the Saint Louis University Hospital proposal for an additional angiography unit, also on this agenda, St. Anthony's Medical Center's projected charges average approximately 9% higher.

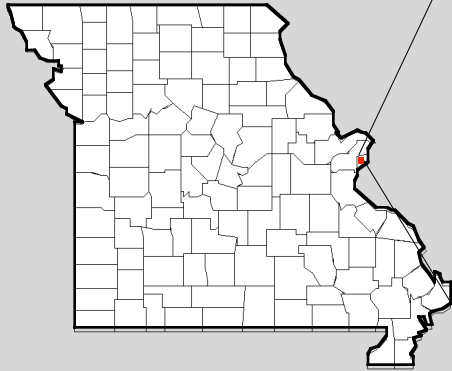
5. The applicant stated that they accept all patients, regardless of ability to pay. A copy of St. Anthony's Medical Center's financial assistance policy was provided.

ADDITIONAL INFORMATION:

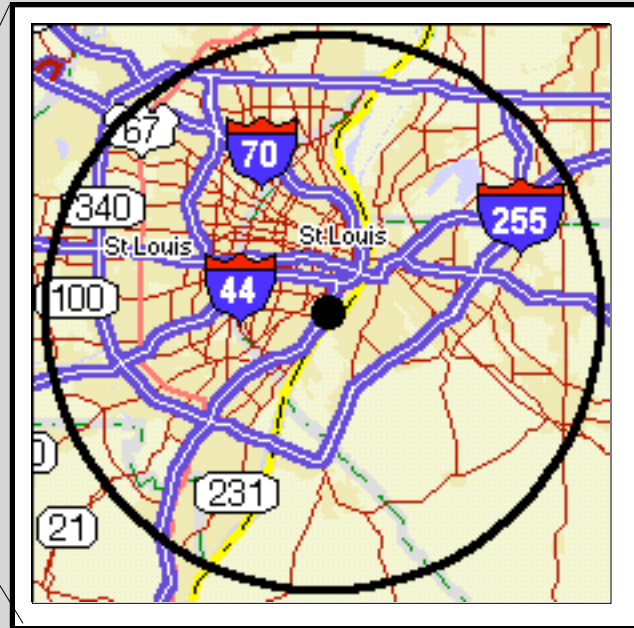
A minimal amount of additional information was requested. A copy of that information is in the application included in the Compendium mailing.

#3730 HS: All Saints Special Care Center

Establish 24-Bed LTC Hospital



Proposed Service Areas



View of Proposed Location

Applicants: Argilla Healthcare, Inc. (building and land owner)
All Saints Special Care Center (furniture & equipment
owner and operator)

Contact Person: Richard D. Watters, 314-631-2939

Project Address: 2639 Miami Street, 2nd Floor
St. Louis 63118 (St. Louis City)

Cost: \$953,000 (*Recommend \$1,005,250*)

Appl. Rec'd: January 7, 2005

100 Days Ends: April 17, 2005 (30-Day Extension: May 17, 2005)

Summary: *Based on the following Certificate of Need Rules:*

- Application Summary..... 19 CSR 60-50.430(3)..... Documented
- Proposal Description..... 19 CSR 60-50.430(4)..... Documented
- Community Need..... 19 CSR 60-50.450..... **Questionable**
- Financial Feasibility..... 19 CSR 60-50.470(1-4).... **Not Documented**

#3730 HS: All Saints Special Care Center

APPLICATION SUMMARY:

The application summary was complete.

1. The Applicant Identification and Certification form was complete.
2. The Registered Representative forms for the Contact Person and two other individuals were complete.
3. The Proposed Project Budget form was complete.

PROPOSAL DESCRIPTION:

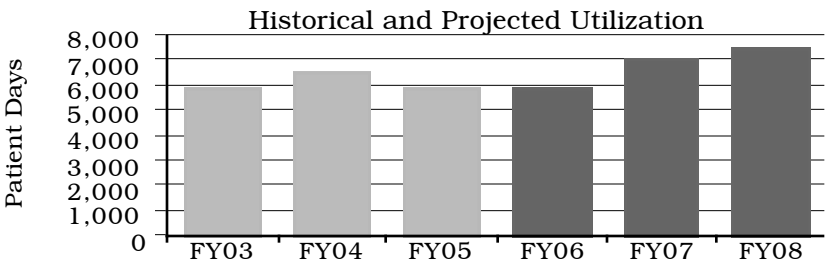
The detailed project description was complete, and community awareness and support was documented.

1. The applicants propose to **establish a 24-bed long term care hospital (LTCH)**. The proposed hospital would occupy approximately 14,008 square feet of leased space on the second floor of the St. Alexius Hospital Jefferson Campus. The new LTCH would be a relocation and expansion of the existing 20-bed LTCH located at DePaul Health Center which is approximately 16 miles from the new location. The applicants also propose to add four additional LTCH beds at the new site. After the relocation of the LTCH beds, DePaul Health Center would continue to serve as the host hospital for the new LTCH.
2. The applicants provided a map (see map below) showing the location of the proposed facility, along with schematic drawings. The applicants also documented that the drawings had been submitted to the Department of Health and Senior Services for review. A copy of the draft lease between Argilla HealthCare, Inc., and All Saints Special Care Hospital was provided.
3. For long-term care facilities, the Rules define the service area to be a 15-mile radius. The applicants provided the year 2005 population data estimated by the Bureau of Health Data Analysis for those zip codes which are included in, or overlapped by, the 15-mile radius. The CON-approved population estimation methodology yielded an adjusted population of 1,070,828 for the Missouri population within the radius.



#3730 HS: All Saints Special Care Center

4. According to the applicants, the specific problems this project is designed to meet include the following:
- The existing space cannot be expanded;
 - The additional space would eliminate issues relating to semi-private rooms;
 - As a result of space limitations, the scope of services cannot be expanded;
 - The Centers for Medicare & Medicaid Services (CMS) have instituted new requirements in response to its concern that a LTCH function as a separate hospital versus as a unit of the respective host.
5. The applicants provided historical utilization for the existing facility and the projected utilization for the new facility, measured in patient days, as shown on the graph below. The applicants described the methods and assumptions used to generate their projections. They stated that the first year projections anticipate transitional factors with may affect the utilization.



The applicants stated that, during the latter part of FY 04, there was uncertainty about the continuation of their operation as a result of the announcement by DePaul Health Center that it would be terminating the All Saints Special Care Center lease. They believe that since they have secured a new site, occupancy will continue to improve.

6. The applicants contracted with Murer Consultants, Inc., a national healthcare management consulting firm, to conduct a LTCH bed need analysis. Murer Consultants utilized a discharge-based bed need methodology to calculate the need for LTCH beds in the service area. The methodology included projecting the number of long term acute care patient days within groups of diagnosis-related groups.
7. The applicants surveyed patients and their families for input on relocating the existing LTCH.
8. To date, four letters of support have been received; one from a healthcare facility, and three from healthcare professionals. No letters of opposition have been received.

COMMUNITY NEED CRITERIA AND STANDARDS:

*Community need is **questionable**.*

1. For additional long-term care beds, the population-based need formula [Unmet Need = (S x P) – U] applies to residential care facility I and II beds, intermediate care facility and skilled nursing facility beds. However, the current rules do not contain a need standard for LTCH beds; therefore, the formula does not apply.

However, for the Committee’s information, the bed need methodology previously proposed in the Committees Rules was applied to the required 15-mile radius service area as follows:

#3730 HS: All Saints Special Care Center

where: S = Service-specific need rate of 0.1 beds per 1,000 population
P = Year 2005 population in the 15-mile radius
U = Number of LTCH beds (existing and approved) in the **15-mile radius**

$$\text{Unmet need} = (0.0001 \times 1,070,828) - 131 = \mathbf{24 \text{ bed surplus}}$$

The bed need methodology shown above does not include the All Saints Special Care Center 20-bed LTCH located at DePaul Health Center which would be closed if this proposal is approved.

The applicants concluded that, when applying their Discharge-Based Bed Need Methodology, there was an unmet need for 186 LTCH beds.

2. The Committee's practice is to consider the occupancy of all other long-term care beds of the same licensure category in the proposed service area. A review of the utilization (licensed and available beds) for the other LTCH providers within the **15-mile radius** of the proposed site shows average occupancy rates of **69.5%, 57.2%, 63.3%, 57.6%, 54.5% and 55.2%** (copy attached) respectively for the second quarter of 2003 through the third quarter of 2004.

FINANCIAL FEASIBILITY CRITERIA AND STANDARDS:

*Financial feasibility of the project was **not documented**.*

1. The Proposed Project Budget shows the following costs:

Renovation:	\$250,000
Fees:	53,000 (A&E/Consultant/Legal
Equipment:	650,000 (No major medical equipment)
<u>TOTAL</u>	<u>\$953,000</u>

Initially, the applicants had not provided the fair market value (FMV) of the space; however, it was later provided along with the additional application fee. The FMV is \$52,250; however, this has not yet been documented. It is recommended that the **project cost be increased to \$1,005,250** to reflect the additional amount.

The applicants' proposed renovation cost of \$17.85 per square foot is 86% below the 2005 RS Means Cost Data 3/4 percentile of \$129.36 for hospital renovation in the St. Louis area. The applicants stated that renovation costs are so low due to the small amount of renovation needed at the new site which was originally utilized as an intensive care unit which is now vacant.

2. The applicants provided a letter from Dubuis Health System, Inc., who manages the current facility and will manage the new site, stipulating that All Saints Special Care Center has the funds available to finance the project.
3. Financial projections indicate that the facility would be financially viable.
4. The applicants' estimated daily patient charges for 2002 through 2005 were \$1118, \$1292, and \$1423, respectively. For 2006, 2007, and 2008, the average charge is projected to be \$1413 for all three years. When compared to the average projected charge (\$2597) in the Landmark Hospital of Cape Girardeau application also on this agenda, the applicants' charges are approximately 83% lower.
5. The applicants indicated that they would continue to provide charity care. A copy of their charity care policy was provided.

ADDITIONAL INFORMATION:

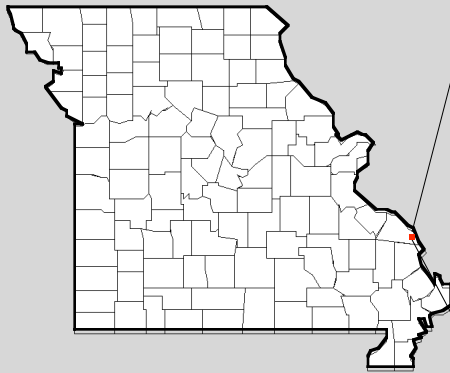
A moderate amount of additional information was requested and provided by the applicants. It is included in the application in the Compendium mailing.

Six-Quarter Occupancy of Long Term Care Hospital Facility Licensed and Available Beds

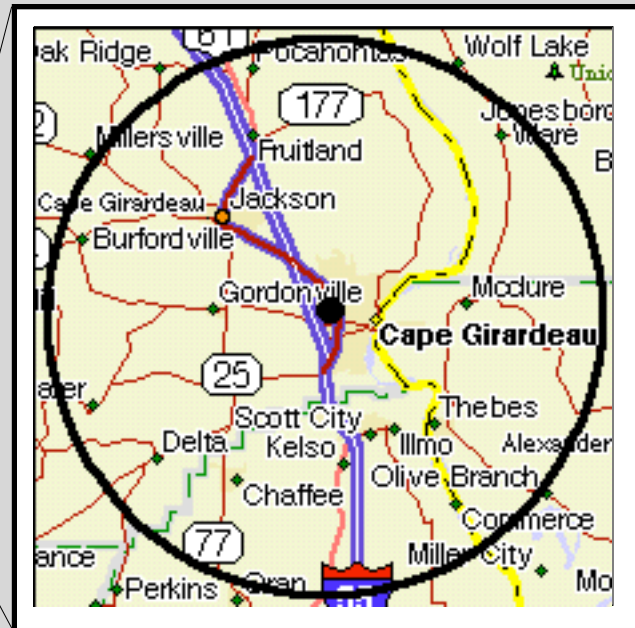
Type	ID	County	Facility Name (if bold, no response)	Address	City	Zip	CN App	Licensed Beds	2nd Qtr '03 Pat Days			3rd Qtr '03 Pat Days			4th Qtr '03 Pat Days			1st Qtr '04 Pat Days			2nd Qtr '04 Pat Days			3rd Qtr '04 Pat Days		
								Total	Avail.	Occupp**	%	Avail.	Occupp***	%	Avail.	Occupp****	%	Avail.	Occupp*****	%	Avail.	Occupp*****	%	Avail.	Occupp*****	%
LH MO	096-01	St. Louis	All Saints Specialty Hospital	12303 DePaul Drive, 2nd Floor South	Bridgeton	63044	0	20	1,820	1,684	92.5%	1,840	1,630	88.6%	1,840	1,566	85.1%	1,820	1,674	92.0%	1,820	1,468	80.7%	1,840	1,370	74.5%
LH MO	115-01	St. Louis City	Kindred Hospital St. Louis	4930 Lindell Blvd.	St. Louis	63108	0	60	5,460	3,738	68.5%	5,520	2,646	47.9%	5,520	2,959	53.6%	5,460	2,533	46.4%	5,460	2,348	43.0%	5,520	2,683	48.6%
LH MO	115-02	St. Louis City	Select Specialty Hospital	6150 Oakland Ave., Five South	St. Louis	63139	0	33	3,003	2,142	71.3%	3,036	2,252	74.2%	3,036	2,458	81.0%	3,003	2,341	78.0%	3,003	2,268	75.5%	3,036	2,323	76.5%
LH MO	096-02	St. Louis	Kindred Hospital-St. Louis-St. Anthony's	10018 Kennerly Road	St. Louis	63128	0	38																		
GRAND TOTALS FOR MISSOURI:				Number in State:	4		0		10,283	73.6%		6,528			10,396	67.2%		6,548			10,283	59.2%		6,412		
								151	7,564			10,396	62.8%			6,983			10,283	63.7%		6,084		10,966	58.5%	

#3727 HS: Landmark Hospital of Cape Girardeau

Establish 30-Bed LTC Hospital



Proposed Service Areas



View of Proposed Location

Applicants: DSW Development Corporation (land owner)
White Oaks Real Estate Investments, LLC (building owner)
Landmark Hospital of Cape Girardeau, LLC (operator)

Contact Person: Richard D. Watters, 314-631-2939

Project Address: 3255 Independence Street
Cape Girardeau 63703 (Cape Girardeau County)

Cost: \$6,439,000

Appl. Rec'd: January 7, 2005

100 Days Ends: April 17, 2005 (30-Day Extension: May 17, 2005)

Summary: *Based on the following Certificate of Need Rules:*

- Application Summary..... 19 CSR 60-50.430(3)..... Documented
- Proposal Description..... 19 CSR 60-50.430(4)..... Documented
- Community Need..... 19 CSR 60-50.450..... Documented
- Financial Feasibility..... 19 CSR 60-50.470(1-4)..... Documented

#3727 HS: Landmark Hospital of Cape Girardeau

APPLICATION SUMMARY:

The application summary was complete.

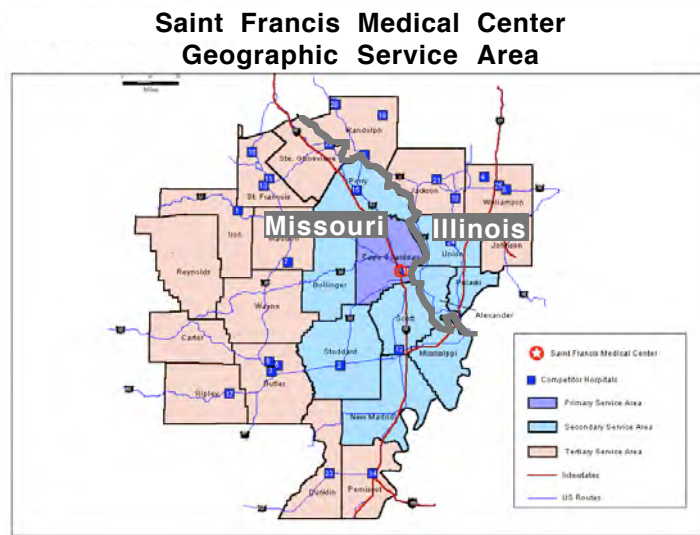
1. The Applicant Identification and Certification form was complete.
2. The Registered Representative forms for the Contact Person and one other individual were complete.
3. The Proposed Project Budget form was complete.

PROPOSAL DESCRIPTION:

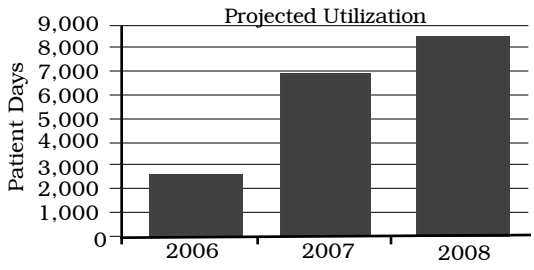
The detailed project description was complete, and community awareness and support was documented.

1. The applicants propose to **establish a 30-bed long-term care hospital (LTCH)**. The proposed hospital would occupy approximately 26,043 square feet of space in a new one-story building to be leased from White Oaks Real Estate Development, LLC. The LTCH would be affiliated with St. Francis Medical Center in Cape Girardeau which would be less than one-half mile away from the project site.
2. The applicants provided a map showing the location of the proposed facility, along with schematic drawings. The applicants also documented that the drawings had been submitted to the Department of Health and Senior Services for review. A copy of a Quit Claim Deed was provided to document that DSW Development Corporation had site control.
3. For long-term care facilities, the Rules define the service area to be a 15-mile radius. The applicants provided the year 2005 population data estimated by the Bureau of Health Data Analysis for those zip codes which are included in, or overlapped by, the 15-mile radius. The CON-approved population estimation methodology yielded an adjusted population of 78,192 for the Missouri population within the radius.

The applicants stated that, because the LTCH would be affiliated with Saint Francis Medical Center, their geographic service areas would be the same. The geographic service area for Saint Francis Medical Center includes 18 counties in Missouri and six counties in Illinois (see the map below). The Missouri population is 434,123, and the Illinois population is 189,925 for a total geographic service area population of 624,048.



#3727 HS: Landmark Hospital of Cape Girardeau

4. According to the applicants, the specific problems this project is designed to meet include the following:
- Patients needing long term acute care must travel to St. Louis, which is approximately 110 miles away;
 - The cost of caring for patients needing LTCH services is higher in an acute care hospital than the average Medicare reimbursement rate;
 - Medically complex patients who often have multi-system failure require levels of care which typically cannot be provided in a skilled nursing facility;
 - Most intensive care units are not focused on the medical rehabilitation of the chronically unstable patient; and
 - Due to their frailty and acuity level, long term acute care patients cannot withstand the type of therapy offered in a comprehensive medical rehabilitation facility.
5. The applicants provided projected utilization measured in number of patient days, as shown on the graph on the right. The applicants described the methods and assumptions used to generate the projections for fiscal years 2006, 2007 and 2008.
- 
- | Fiscal Year | Patient Days |
|-------------|--------------|
| 2006 | 2,800 |
| 2007 | 7,000 |
| 2008 | 8,500 |
6. The applicants provided several alternative methodologies as described below:
- Population-Based Methodology:
The applicants applied a population-based methodology of 0.1 beds per 1,000 total population for the geographic service area.
- Percent of Discharges Methodology:
This methodology assumes that 2.5% of discharges from large acute care hospitals and 1.5% of discharges from smaller hospitals would qualify for admission to LTCHs.
- Modified Percent of Discharges Methodology:
This methodology assumes that a LTCH would get 2.5% of discharges from its affiliate hospital, 1% of discharges from other acute care hospitals within five miles, and 0.05% of discharges from acute care hospitals in the service area more than five miles away.
- DRG Methodology:
This methodology identifies specific Medicare diagnostic related groups (DRGs) which are considered most appropriate for LTCH services. Each Medicare DRG is assigned a "geometric length of stay" (GLOS). Each day a patient stays in the hospital after GLOS is an "excess patient day." The total number of excess Medicare patient days for the hospitals in the geographic service area was used in the formula to determine a need.
7. The applicants provided a copy of an article which appeared in the *Southeast Missourian Newspaper* on December 9, 10, 11, 12, and 13, 2004, to inform the public of the proposal.
8. To date, 19 letters of support have been received; one from business; eight from healthcare facilities, seven from healthcare professionals, one from a United States Congresswoman; three from state representatives and one from a state senator. No letters of opposition have been received.

COMMUNITY NEED CRITERIA AND STANDARDS:

Community need was documented

1. For additional long-term care beds, the population-based need formula [Unmet Need = (S x P) – U] applies to residential care facility I and II beds, intermediate care facility and skilled nursing facility beds. However, the current rules do not contain a need standard for LTCH beds; therefore, the formula does not apply.

However, for the Committee's information, the bed need methodology previously proposed in the Committees Rules was applied by the applicants to the required **15-mile radius service area** and the **geographic service area** as follows:

where: S = Service-specific need rate of 0.1 beds per 1,000 population
P = Year 2005 population in the 15-mile radius
U = Number of LTCH beds (existing and approved) in the **15-mile radius**

Unmet need = (0.1 x 78,192) - 0 = **8 beds needed**

where: S = Service-specific need rate of 0.1 beds per 1,000 population
P = Year 2005 population in the geographic service area
U = Number of LTCH beds (existing and approved) in the **geographic service area**

Unmet need = (0.1 x 434,123) - 0 = **43 beds needed**

The applicants concluded that, when applying the Percent of Discharge Methodology, there was a **need for 56 LTCH beds**.

The applicants concluded that, when applying the Modified Percent of Discharge Methodology, there was a **need for 35 LTCH beds**.

The applicants concluded that, when applying the DRG Methodology, there was a **need for 35 LTCH beds**.

2. The Committee's practice is to consider the occupancy of all other long term care beds of the same licensure category in the proposed service area; however, there are no other LTCHs in the 15-mile radius or the geographic service area.

FINANCIAL FEASIBILITY CRITERIA AND STANDARDS:

Financial feasibility of the project was documented.

1. The Proposed Project Budget shows the following costs:

Construction:	\$4,100,000 (\$156.99 cost per square foot)
Fees:	286,000 (A&E/Consultant/Legal
Equipment:	850,000 (No major medical equipment)
Other:	1,203,000 (Int. during const/FMV bldg & land)
TOTAL	\$6,439,000

The applicants' proposed new construction cost of \$156.99 per square foot is approximately 63% below the 2005 RS Means Cost Data 3/4 percentile of \$247.50 for new hospital construction in outstate Missouri.

2. Landmark Hospital of Cape Girardeau would lease the building and land from the building owner. A copy of a letter from Montgomery Bank to the building owner was provided to document that financing has been secured for construction of the building.

#3727 HS: *Landmark Hospital of Cape Girardeau*

3. Financial projections indicate that the facility would be financially viable.
4. The applicants' estimated daily patient charges for the first three years are \$2400, \$2592 and \$2799, respectively. These charges are in the same range as those proposed in previous LTCH applications. However, when compared to the All Saints Special Care Center application, also on this agenda, the projected average charges are approximately 83% higher.
5. The applicants indicated that since they would be an affiliate of Saint Francis Medical Center, they would accept all appropriate discharges, including the medically indigent.

ADDITIONAL INFORMATION:

A moderate amount of additional information was requested and provided by the applicants. The additional information is included in the application in the Compendium mailing.

E. OTHER BUSINESS

Item #1

#3197 RM: Capetown Residential Care Center

Cape Girardeau (Cape Girardeau County)

\$1,200,000, Reissue CON for cost overrun of \$576,812

Contact Person: Bruce Hillis, 573-471-1113

On February 1, 2002, a Certificate of Need (CON) was issued to Americare Properties, Inc., to replace a 21-bed residential care facility (RCF) II to be located at 2857 Cape LaCroix Road, Cape Girardeau 63701. The approved cost of the project was \$1,200,000.

On August 5, 2002, the applicant was granted a six-month extension to February 2, 2003, in order to allow sufficient time to finalize plans for the new facility and begin construction.

On January 11, 2005, along with their final Periodic Progress Report (attached), the applicant also submitted a request for approval of a cost overrun.

The applicant stated that the reasons for the overrun were due to several factors as described below:

- The size of the building was increased in response to the market demand for larger suites and more common areas;
- The additional common areas resulted in the need for more furniture;
- The cost of fill to create proper drainage was not adequately estimated at the time of the application; and
- Additional site improvements were added to improve visual esthetics.

The applicant provided a comparison between the original project budget and the new project costs which is shown below:

<u>Category</u>	<u>Original Budget</u>	<u>New Budget</u>	<u>Difference</u>
Construction	\$927,500	\$1,430,042	\$502,542
Arch./Engr. Fees	35,000	58,905	23,905
Other Equipment	32,500	35,964	3,464
Land Acquisition	100,000	93,888	<6,112>
Consultant/Legal Fees	10,000	2,594	<7,406>
Interest During Construction	20,000	9,503	<10,497>
<u>Other Costs</u>	<u>75,000</u>	<u>145,916</u>	<u>70,916</u>
TOTALS	\$1,200,000	\$1,776,812	\$576,812

The applicant provided documentation of their costs and the appropriate application fee.



Certificate of Need Program

PERIODIC PROGRESS REPORT

Type of Progress Report:

- ☐ Intermediate
☒ Final

All applicants granted a Certificate of Need (CON) by the Missouri Health Facilities Review Committee are required to submit periodic progress reports until such time as the project is complete (8107.315 (8) RSMo). These reports must be filed with the CON Program staff after the end of each six (6) month reporting period following the issuance of a CON.

Name of Project CAPTOWN RESIDENTIAL CARE CENTER	Report Period 2-2-04 / 8-2-04
Address 2857 CAPE LAIROUX RD (ROUTE W) CAPE GIRARDEAU, MO 63701	Project Number #3197 RS
Project Description REPLACE 21 RCF II BEDS	Date CON Issued 2/2/02
	Approved Cost \$1,200,000

- ☒ Yes ☐ No 1. Capital expenditures have been incurred for above-ground construction and/or medical equipment.
11/30/02 Date construction started or equipment purchased. Provide copy of AIA contract and/or purchase order.
- ☒ Yes ☐ No 2. Expenditures for this reporting period and project-to-date are included.
148 % of the total approved project amount that has been expended to date.
- ☒ Yes ☐ No 3. There are changes in the final costs of the project.
 If "Yes," explain in detail and provide replacement pages for the approved application.
\$1,776,912 Estimated final project cost
- ☐ Yes ☒ No 4. There are changes in the services or programs approved scope of the project.
 If "Yes," explain in detail and provide replacement pages for the approved application.
- ☐ Yes ☒ No 5. The project contact person changed.
 If "Yes," enclose a new Contact Person Correction Form (MO 580-1870).
- *6. 100 % of the construction or installation is complete.
N/A % of the installation is complete.
- If Items 2 and 6 are both 100% complete, signify this as the Final Report and submit documentation of final costs.

Description of progress to date. Clearly explain expenditures, delays, changes in project progress, or lack of progress, of the approved project. Use additional pages as needed.

COMPLETE



Certificate of Need Program

PERIODIC PROGRESS REPORT

Project Budget / Expenditures		Report Period: 2-2-04 to 8-2-04	
Description	Application	This Period	Project-to-date
1. General Construction Costs	712,500	167,692	1,019,222
2. Site Work	215,000	166,749	410,820
3. Subtotal Construction Costs	927,500	334,441	1,430,042
4. Architectural/Engineering Fees	35,000	5,292	58,905
5. Fixed Equipment	32,500	-0-	35,964
6. Movable Equipment	-0-	145,916	145,916
7. Land Acquisition	100,000	-0-	93,888
8. Consultants' Fees/Legal Fees	10,000	-0-	2,594
9. Interest During Construction	20,000	-0-	9,503
10. Other Costs (FURNITURE TO LINE 6)	75,000	(90,615)	in LINE 6
11. Subtotal Non-construction Costs	272,500	60,593	346,770
12. TOTAL Project Development Costs	1,200,000	395,034	1,776,812
Square footage: New Construction	10,500	13,000	13,000
Renovated Space	-0-	-0-	-0-
Total Project	10,500	13,000	13,000
Costs per square foot: New Construction	\$88.33	\$25.72	\$110.00
Renovated Space	-0-	-0-	-0-
Name of Contact Person BRUCE HILLIS		Title CONTACT PERSON	
Telephone Number (573) 471-1113	Fax Number (573) 471-8235	E-mail Address bhillis@americareUSA.net	

MO-ND-1078 (10-01)

E. OTHER BUSINESS

Item #2

#3676 RM: Frene Valley Residential Care Center

Hermann (Gasconade County)

\$2,500,000, Reissue CON to change site

Contact Person: J. David Bechtold, 573-761-1116

On November 8, 2004, a Certificate of Need (CON) was issued to Frene Valley Corporation and Lloyd Healthcare Management Systems, Inc., to establish a 30-bed residential care facility (RCF) II on a parcel of land owned by Frene Valley Corporation south of the junction of West 18th Street, Wein Street, and Lloyd Drive in Hermann.

On January 31, 2005, the applicants submitted a request (attached) for a site change. They stated that they wished to attach the new RCF II to Frene Valley Health Center (a 110-bed skilled nursing facility) rather than constructing a separate building across the street. The new address would be 1800 Wein Street, Hermann 65041.



MHFRC

www.dhs.state.mo.us/hfrcc

H. Bruce Nottingham, Chm.
Michael A. Cunningham, M.D., Vice-Chair

Catherine L. Davis
Dorothy V. Huntley

Marion S. Pearson, M.D.
Rep. Thomas A. Villa

Rep. Kenny Jones
Sen. Dan Claitor

Missouri Health Facilities Review Committee

3150 Belle Blvd. Jefferson City, MO 65101

Phone: (573) 751-8400

Fax: (573) 751-7804

Sen. Dan Claitor
Rep. Kenny Jones

February 1, 2005

J. David Bechtold, Attorney
Husch & Eppenger, LLC
235 East High Street
Jefferson City, MO 65102-1251

SUBJECT: ##3676 RS: Frene Valley Residential Care Center

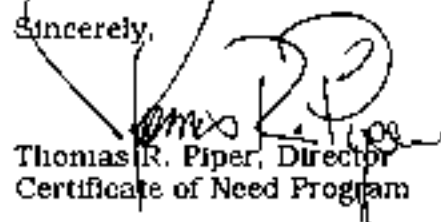
Dear Mr. Bechtold:

In your January 31, 2005, letter, you indicated that Frene Valley Residential Care Center has decided to attach the new 30-residential care facility (RCF) II to Frene Valley Health Center rather than constructing a separate building on the same property.

The Certificate of Need (CON) issued for the new RCF states that it is to be located "south of the junction of West 18th Street, Wein Street, and Lloyd Drive in Hermann. Therefore, because the CON is site-specific and the location would change, approval by the Missouri Health Facilities Review Committee is required.

Your request for a site change will be placed on the April 4, 2005, CON meeting agenda. Thank you for cooperating in the CON process.

Sincerely,


Thomas R. Piper, Director
Certificate of Need Program

TRP/ds

Husch &
Eppenger, LLC
Attorneys and Counselors at Law

CERTIFICATE OF NEED PROGRAM

JAN 31 2005

RECEIVED

235 East High Street
P.O. Box 1261
Jefferson, Missouri 65102-1261
573 635 9118
Fax 573 634 7864
www.husch.com

J. David Bechtold
Of Counsel

January 31, 2005

HAND DELIVERY

Mr. Thomas R. Piper
Director, Certificate of Need Program
915G Leslie Boulevard
P. O. Box 570
Jefferson City, MO 65102

Re: Frene Valley Residential Care Center
Project # 3676 RS

Dear Mr. Piper:

This letter is to notify you that my client, Frene Valley Residential Care Center has chosen to reposition the Frene Valley Residential Care Center from across the driveway from Frene Valley Health Center to attaching it to Frene Valley Health Center. A schematic showing the new location is attached. There is no other change in the scope of the project. It remains a project for establishment of a 30-bed residential care facility II. The costs on the project are not increased by this relocation.

As this relocation is upon the same tract of ground as was the original location, I do not believe this constitutes a site change within the meaning of § 197.315.6, RSMo 2000.

If I am correct in this assumption, please let me know. Otherwise, if it is your opinion that this does constitute a site change, please place the matter on the Missouri Health Facilities Review Committee's next agenda.

Very truly yours,


J. David Bechtold
Of Counsel

JDB:lkp
Enclosure

01/25/2005 10:08

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PAGE 02

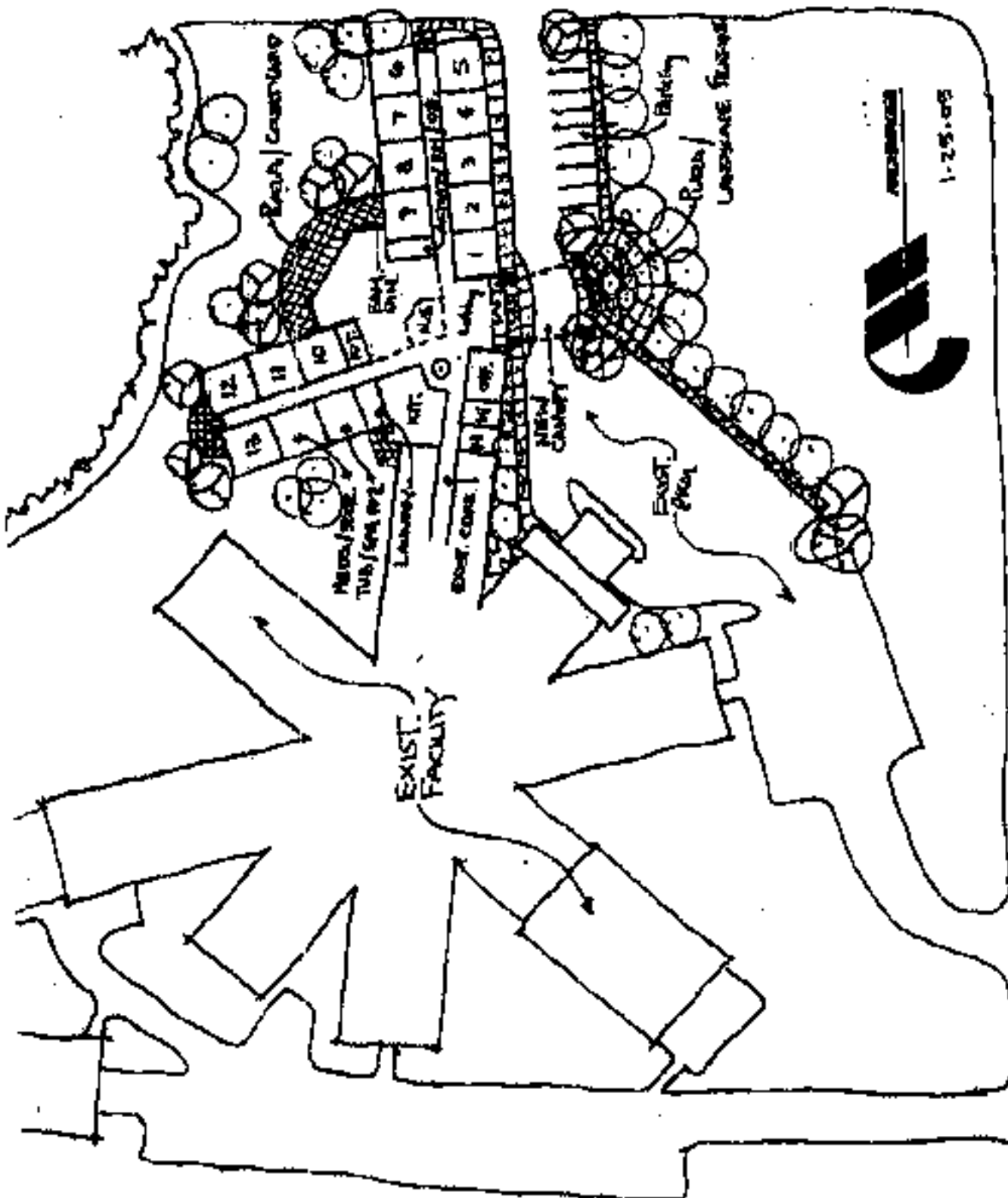
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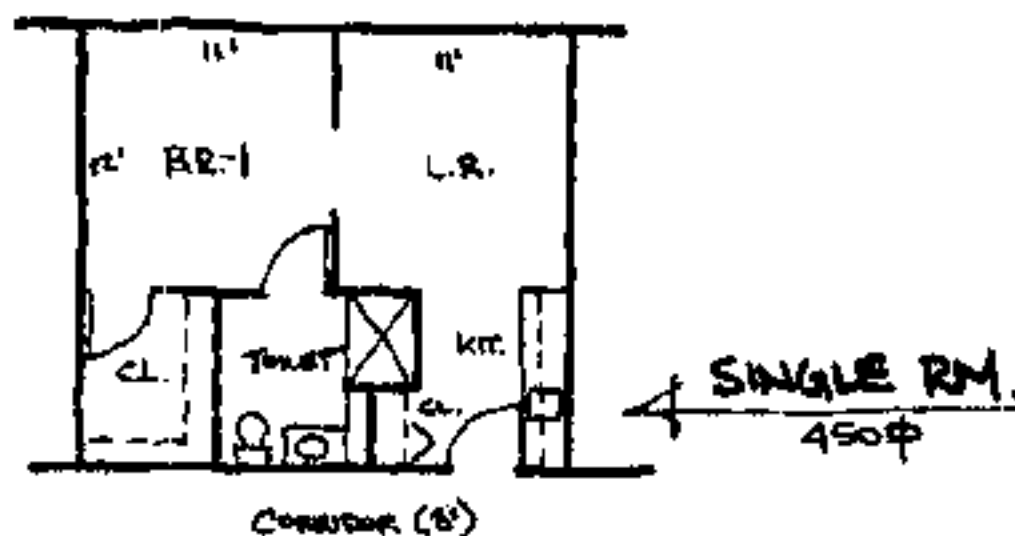
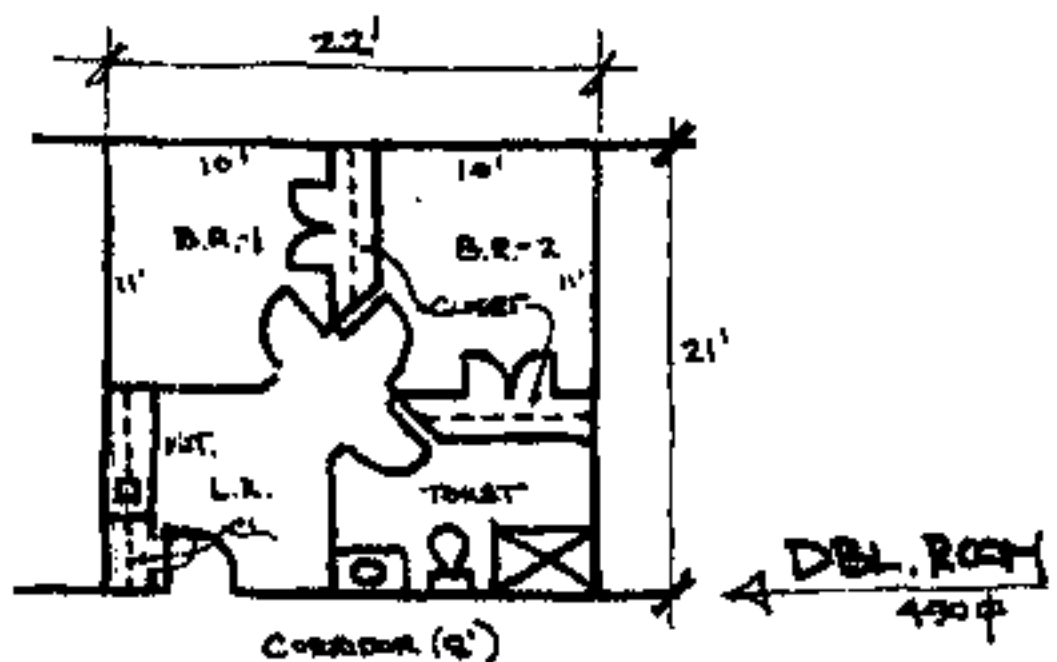
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E. OTHER BUSINESS

Item #3

**#3130 HM: Portable Scanning Services, LLC
Hannibal (Marion Co.), St. Louis (St. Louis Co.) and
St. Charles (St. Charles Co.)
\$2,043,804, Reissue CON to add Barnes-Jewish St. Peters Hospital, Inc.
St. Peters (St. Charles Co.)**

Contact Person: Suzanne Perkins, 608-663-6081

On July 30, 2001, a Certificate of Need (CON) for project #3130 HS was issued to Portable Scanning Services, LLC, Northern Shared Medical Services, Inc., and Hannibal Regional Hospital to establish a mobile Positron Emission Tomography (PET) service at Hannibal Regional Hospital, Highway 36 West, Hannibal 63401.

On February 2, 2002, the CON was reissued to add two additional sites:

- Heartland Regional Medical Center, 5325 Faraon St., St. Joseph 64506; and
- Southeast Missouri Hospital, 1701 Lacey St., Cape Girardeau 63701.

On September 23, 2002, the CON was reissued to add three additional sites:

- Advanced Medical Testing Systems, Inc., 235 Dunn Rd., Florissant 63031;
- St. John's Mercy Hospital, 200 Madison Ave., Washington 63090; and
- St. John's Mercy Medical Center, 615 S. New Ballas Rd., St. Louis 63144-8277.

On November 18, 2002, the CON was reissued to add two additional sites:

- SSM DePaul Health Center, 12303 DePaul Drive, St. Louis 63044-2588; and
- Three Rivers HealthCare, 2620 N. Westwood Blvd., Poplar Bluff 63901.

On January 27, 2003, the CON was reissued to add one additional site:

- Jefferson Memorial Hospital, Hwy. 61 S., PO Box 35, Crystal City 63019.

On April 11, 2003, the applicants received a CON Non-Applicability letter to upgrade the mobile PET unit to a PET/computerized tomography (CT).

On August 12, 2003, the CON was reissued to reflect the realignment of the mobile PET route.

On September 22, 2003, the CON was reissued to add one additional site:

- St. Mary's Health Center, 620 Clayton Road, Richmond Heights 63117-1811.

On October 31, 2003, the CON was reissued to add one additional site:

- SSM St. Joseph Hospital of Kirkwood, 525 Couch Ave., St. Louis 63122.

On February 9, 2004, the CON was reissued to add one additional site:

- Shared Medical PET/CT Services, 2600 Raymond St., St. Charles 63301.

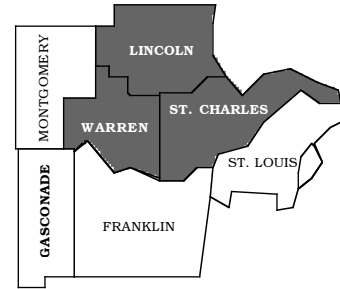
On February 17, 2005, the applicants submitted a request to add the following site:

- Barnes-Jewish St. Peters Hospital, Inc., 10 Hospital Drive, St. Peters 63376.

The PET unit would service this site one-half day-per-week.

E. OTHER BUSINESS

The applicants claimed a “geographic service area” which includes St. Charles, Lincoln and Warren Counties (see illustration on the right).



The current inventory of PET/CT services in the three-county service area includes one approved full-time fixed unit at MIA of St. Charles, and approved one-day per week mobile service at St. Luke’s Center for Diagnostic Imaging-O’Fallon and the operating one-half day per week Shared Medical PET/CT Services site in St. Charles.

The population-based need formula was utilized for Barnes-Jewish St. Peters Hospital, Inc. geographic service area as shown below:

$$\text{Unmet Need} = (S \times P) - U$$

where: S = Service-specific need rate of one PET unit per 500,000 population
P = Year 2005 population in the service area
U = Number of PET units in the geographic service area

$$\text{Unmet Need} = 1/500,000 \times 385,311 - 1.25 = \mathbf{0.48 \text{ PET units surplus}}$$

Based on the methodology in the Committee’s Rules, a **need was not documented**.

The applicants provided the following utilization projections for 2005, 2006, and 2007 as follows:

<u>2005</u>	<u>2006</u>	<u>2007</u>
180	350	450

The applicants stated that proposed charges for the facility are as follows:

<u>2005</u>		<u>2006</u>		<u>2007</u>	
<u>Scan</u>	<u>Reading</u>	<u>Scan</u>	<u>Reading</u>	<u>Scan</u>	<u>Reading</u>
\$3300	\$125	\$3450	\$150	\$3600	\$180

These charges are similar to those proposed by the other facilities on this route.

The applicants’ request included three letters of support from physicians. The application also included a copy of the proposed Service Agreement.

The sites on the route following the Committee’s approval of this request and the amount of time at each site are shown as follows:

- Hannibal Regional Hospital, Hwy. 36 West, Hannibal 63401 (1/2 day/week);
- Christian Hosp. NE-NW, 11133 Dunn Rd., St. Louis 63136-6192 (1/2 day/week);
- DePaul Health Center, 12303 DePaul Dr., St. Louis 63044-2588 (1/2 day/week);

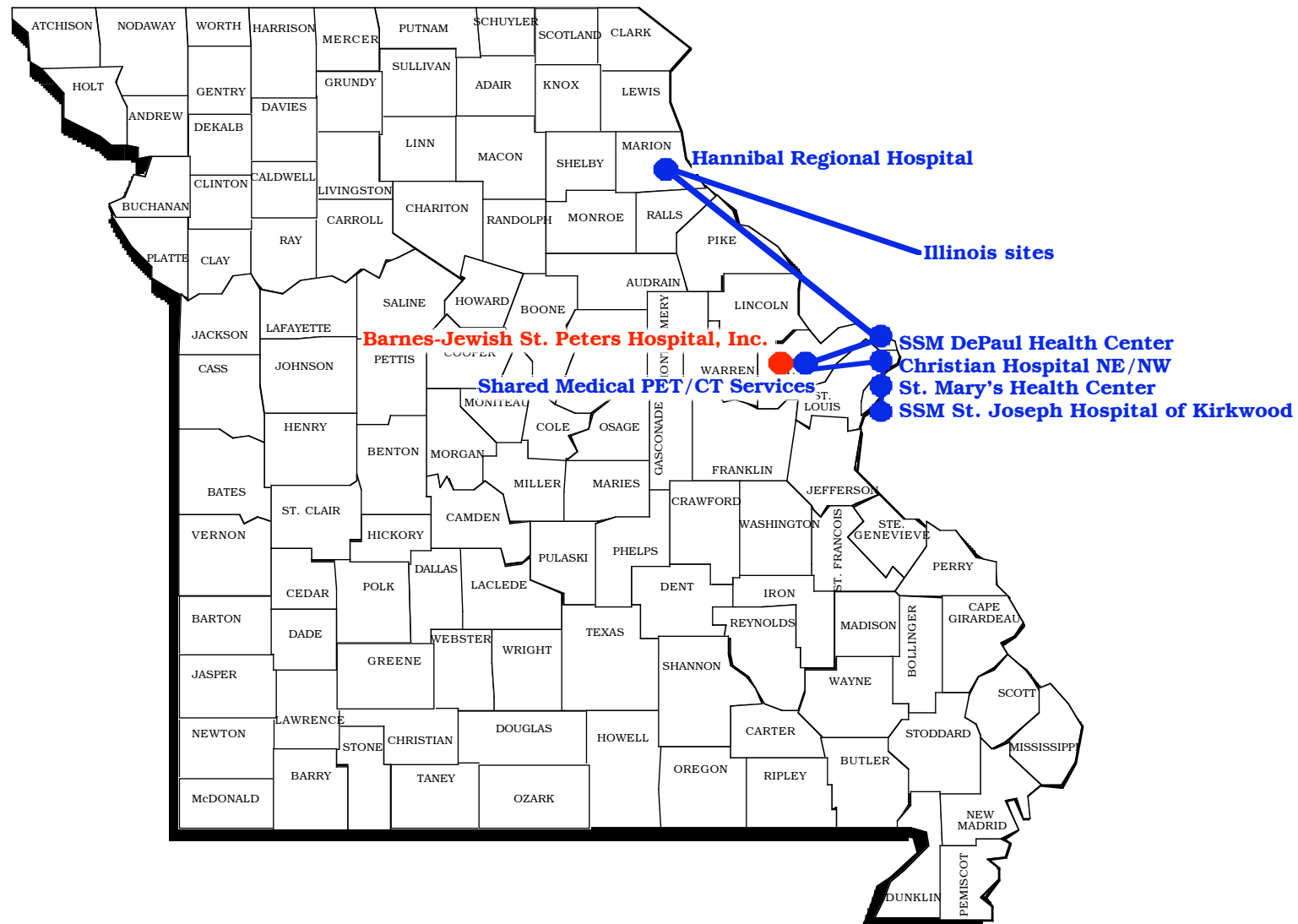
E. OTHER BUSINESS

- St. Mary's Health Center, 620 Clayton Rd., St. Louis 63117-1811 (1/2 day/week);
- SSM St. Joseph Hospital of Kirkwood, 525 Couch Ave., St. Louis 63122 (1/2 day/week);
- Shared Medical PET/CT Services, 2600 Raymond St., St. Charles 63301 (1/2 day/week);
- Barnes Jewish St. Peters Hospital, Inc., 10 Hospital Drive, St. Peters 63376; (1/2 day per week); and
- Outside Missouri (2 1/2 days/week).

The map on page four shows the sites on the route if approval were granted by the Committee. The applicants have provided all of the appropriate replacement forms to reflect the changes to the CON.

E. OTHER BUSINESS (cont'd.)

#3130 HM: Portable Scanning Services, LLC



E. OTHER BUSINESS

Item #4

**#3587 FM: Kansas City Oncology Hematology Group
Lee's Summit (Jackson County)
\$1,800,000, Reissue CON to replace mobile PET
with a fixed PET/CT**

Contact Person: John E. Hennessy, 913-541-4607

On May 24, 2004, a Certificate of Need (CON) was issued to US Oncology and Kansas City Oncology Hematology Group to replace a mobile positron emission tomography (PET) unit with a mobile PET/computerized tomography (CT) unit to serve sites at 1000 West 101st Terrace, Kansas City 63141 and 4881 NE Goodview Circle, Lee's Summit 64064. The approved cost of the project was \$1,825,000.

On December 8, 2004, the applicants were granted a six-month extension to May 24, 2005, to allow time to incur a capital expenditure on the project through expenditures for the proposed equipment.

On January 11, 2005, a letter was received from the applicants stating that they had determined that it would be much less costly to install a fixed unit at only the Lee's Summit site. The applicants were instructed to submit a formal request to have the CON reissued and to supply replacement pages for the original application that would be affected by the proposed changes.

On February 18, 2005, the applicants submitted the requested additional information (see additional information packet) asking that the CON be reissued to be a fixed PET/CT unit to be located at 4881 NE Goodview Circle, Lee's Summit 64064. In addition, the revised Proposed Project Budget was reduced to \$1,800,000.

The applicants estimate that they would be able to save nearly \$1,000,000 if this request is approved. Those savings would result by not having to acquire a mobile coach (approximately \$500,000 in non-reviewable costs for the current project) and not having to purchase a CT simulator (approximately \$500,000) which was approved as part of project #3657 FA to replace a linear accelerator. The request appears to be justified.

E. OTHER BUSINESS

Item #5

#3719 HM: DePaul Health Center

St. Louis (St. Louis County)

**\$3,651,000, Reissue CON to change replacement
linear accelerator to additional unit**

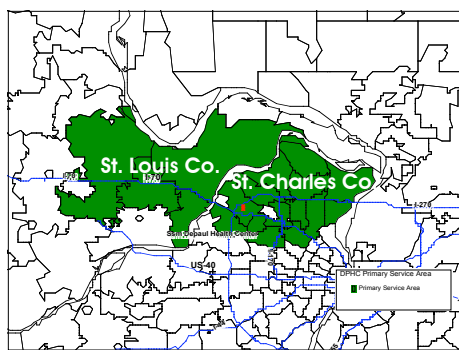
Contact Person: Eric Carmichael, 314-344-7280

On January 24, 2005, a Certificate of Need (CON) was issued to SSM Health Care St. Louis and SSM DePaul Health Center to replace a linear accelerator at 12303 DePaul Drive, St. Louis 63044. The approved project cost was \$3,651,000.

On March 4, 2005, the applicants submitted a request to amend the CON to change their request to an "additional" linear accelerator rather than a "replacement" of their existing unit.

The reason for their request was that they did not earlier anticipate the need to continue operating the existing unit for an indefinite period of time as the clinical staff transitioned to the new unit. The medical physicists and dosimetrists who have begun to implement the new procedures have expressed concern that it may take them an extended period of time to adapt to the new unit. The applicants believe that, by continuing use of existing unit, it would act as a safety net to ensure that patient treatment programs are not interrupted or delayed.

The applicants defined their primary service area (see map below) as where they draw 75% of their total inpatient population. This area includes 19 zip codes in North Saint Louis County and part of St. Charles County.



The applicants **met the minimum annual utilization standard of 6,000 treatments** for an additional unit. They provided historical and projected utilization below:

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Treatments	5605	6332	6121	6427	6748	7085

A letter of support from the Medical Director of Radiation Oncology at DePaul Health Center was included in the request.

The cost of the project would remain the same.

The applicants provided the necessary replacement pages for their original application. In all other ways, it appears that they have met the Criteria and Standards for additional units or services.

**End of
Certificate of Need
Meeting
Compendium**

Missouri Health Facilities Review Committee

Administrative Meeting Compendium



April 4, 2005

**State Capitol Building
House Hrg. Rm. 7
Jefferson City, MO**

Missouri Health Facilities Review Committee
Administrative Meeting
Monday, April 4, 2005, Approximately Noon
House Hearing Room #7, Capitol Building, Jefferson City

Tentative Agenda

Discussion Topics*

Action Requested

A. Opening Topics

Perfection of Administrative Agenda (TP)..... Approve

B. Legal Counsel Report

1. Litigation Issues¹..... Report

2. Other Issues.....Discuss

C. Regular Activities

1. Report of Non-Applicability Letters Issued (MH)¹.....Approve

2. Expedited Review Decisions (TP)

a. January 24, 2005, Expedited Decisions¹.....Report

b. February 23, 2005, Expedited Decisions¹.....Report

c. March 24, 2005, Expedited Decisions.....Report

3. Tentative Agendas (TP)

a. April 21, 2005, Expedited Ballot.....None

b. May 23, 2005, CON Meeting¹..... Report

4. Meeting Calendars Review (TP)

2005 Proposed Meeting Calendar¹..... Review

D. Specific Management Issues

1. Rules and Practices (TP)

Hospital, Equipment and Other Review Criteria.....Update

2. 2005 Legislative Session (TP)

a. Legislative Report¹..... Review

b. Budget Update..... Report

c. Office Relocation.....Discuss

3. Other (TP)

¹ Mailed: March 15, 2005

Updated: March 14, 2005

*This is an Open Meeting and the public is welcome to attend.
Individuals may speak only if called upon by a Committee member.*

**Closed session(s) will be held in accordance with §610.021 RSMo
for purposes of discussing legal or personnel issues at any time during this agenda.*

Suggested Motions

I. Motions for Action on Applications

A. Approve as Submitted:

I move we certify a need for project# _____ as set forth in the application.

B. Approve for Less:

I move we certify a need for less than what was originally sought in project # _____ by granting approval for all portions except the _____ which would be reduced from _____ to _____.

C. Denial:

I move we refuse to certify a need project # _____ for the reasons set forth as follows (list reasons):

II. Motions to Close Meeting (Closed Session)

A. I move that this meeting be closed, and that all records and votes, to the extent permitted by law, pertaining to and/or resulting from this closed meeting be closed under Section 610.021 (choose one of the following):

1. Subsection (1) RSMo for the purpose of discussing **general legal actions, causes of action or litigation, and any confidential or privileged communications between this agency and its attorney.**
2. Subsection (3) RSMo for the purpose of **discussing hiring, firing, disciplining or promoting an employee of this agency.**
3. Subsection (13) RSMo for the purpose of making **performance ratings pertaining to individual employees.**
4. For the purpose of **reviewing and approving the closed minutes of one or more previous meetings** and which authorized this agency to go into closed session during those meetings.
5. Subsection (14) and Section 620.010.14, Subsection (7) RSMo for the purpose of discussing **investigative reports and/or complaints and/or audits and/or other information pertaining to a licensee or applicant.**

B. I move that this closed meeting be adjourned and that we return to Open Session.



MHFRC

www.dhss.state.mo.us/con

Missouri Health Facilities Review Committee

915G Leslie Blvd., Jefferson City, MO 65101 Voice: (573) 751-6403 Fax: (573) 751-7894

H. Bruce Nethington, Chair
Milamari A. Cunningham, M.D., Vice-Chair

Catherine L. Davis
Marion S. Pierson, M.D.

Dorothy V. Fauntleroy
Marion S. Pierson, M.D.

Rep. Thomas A. Villa
Rep. Kenny Jones

Sen. Dan Clemens
Sen. Yvonne Wilson

March 11, 2005

Daryl R. Hylton
Assistant Attorney General
Attorney General's Office
Post Office Box 899
Jefferson City, MO 65102

Dear Daryl:

On behalf of the Missouri Health Facilities Review Committee and the Certificate of Need Program Staff, thank you for the counsel and advice you provided during your time as our attorney. We've developed a great working relationship over the years, and we will miss that.

Best wishes in your new position. The Department of Economic Development is fortunate to have you as their new General Counsel.

Sincerely,

Thomas R. Piper, Director
Certificate of Need Program

c Committee Members

TP/ds



ATTORNEY GENERAL OF MISSOURI

JEFFERSON CITY

65102

JEREMIAH W. CLAYTON
ATTORNEY GENERAL

P.O. Box 696
Jefferson City, MO 65102

March 3, 2005

CERTIFICATE OF NEED PROGRAM

MAR 07 2005

RECEIVED

Health Facilities Review Committee
Tom Piper
Executive Director
915 G Leslie Blvd.
Jefferson City, MO 65109

Dear Committee Members and Staff:

I am writing to formally communicate that I have accepted a position as General Counsel at the Department of Economic Development. As a result, I will no longer have the privilege of working with the Health Facilities Review Committee. I have greatly enjoyed working with the Committee members and staff.

Good luck in all future endeavors.

Sincerely,

Daryl R. Hylton
Assistant Attorney General

DRH/gw

**Committee confirmation of
Non-Applicability CON Letters Issued
for period December 30, 2004 - March 10, 2005
(sorted by "Issue Date")**

Project Information				Description		Dates Decision		Applicant
Number	Name	Address City Zip		Proposed Activity	Original Proj Cost	LOI Rec'd Test Verified	Issue Date Decision	Name Phone No.
3734FA	JCMG Ancillary Services	1241 W. Stadium Blvd. Jefferson City 65109		Acquire MRI Cole	\$974,949	12/27/04 01/05/05	01/05/05 Not Applicable	JCMG Ancillary Services, LLC 573-556-7772
3735RA	Vintage Park of St. Joseph, LLC	3302 N. Woodbine Rd. St. Joseph 64505		Modernize facility Buchanan	\$384,928	12/30/04 01/05/05	01/05/05 Not Applicable	Vintage Park of St. Joseph, LLC 816-390-9555
3736HA	Moberly Regional Medical Center	1515 Union Ave. Moberly 65270		Replace CT scanner Randolph	\$961,500	01/03/05 01/05/05	01/05/05 Not Applicable	Moberly Hospital, Inc. 660-269-3101
3737HA	Moberly Regional Medical Center	1515 Union Ave. Moberly 65270		Upgrade ultrasound unit Randolph	\$6,200	01/03/05 01/05/05	01/05/05 Not Applicable	Moberly Hospital, Inc. 660-269-3101
3738NA	The Living Center	10 Linden Tree Parkway Marshall 65340		Add 9 SNF beds Saline	\$496,296	01/04/05 01/05/05	01/05/05 Not Applicable	Fitzgibbon Health Services 660-886-7431
3739RA	The Essex of Grain Valley	401 SE Rock Creek Lane Grain Valley 64029		Establish 12-bed RCF I Jackson	\$523,065	01/04/05 01/05/05	01/05/05 Not Applicable	Furnell Investments, Inc. 660-827-2213
3739RA	The Essex of Grain Valley	401 SE Rock Creek Lane Grain Valley 64029		Establish 12-bed RCF I Jackson		01/04/05 01/05/05	01/05/05 Not Applicable	Bristol Care, Inc. 660-827-2213
3740RA	The Essex of Concordia	402 Redbud Concordia 64020		Establish 12-bed RCF I Lafayette	\$480,940	01/04/05 01/05/05	01/05/05 Not Applicable	Furnell Investments, Inc. 660-827-2213
3740RA	The Essex of Concordia	402 Redbud Concordia 64020		Establish 12-bed RCF I Lafayette		01/04/05 01/05/05	01/05/05 Not Applicable	Bristol Care, Inc. 660-827-2213
3741FA	Ideal Ventures V, LLC	Park Central Plaza, 4717 Kansas City 64112		Acquire four lasers Jackson	\$210,000	01/12/05 01/21/05	01/21/05 Not Applicable	Ideal Ventures V, LLC 813-224-0742
3742HA	Poplar Bluff Regional Medical Center	2620 N. Westwood Blvd. Poplar Bluff 63901		Replace radiology interventional equipment Butler	\$902,765	01/27/05 01/31/05	01/31/05 Not Applicable	Health Management Associates, Inc. 239-598-3131
3742HA	Poplar Bluff Regional Medical Center	2620 N. Westwood Blvd. Poplar Bluff 63901		Replace radiology interventional equipment Butler		01/27/05 01/31/05	01/31/05 Not Applicable	Poplar Bluff Regional Medical Center 573-686-5311
3743FA	Midwest Medical Associates Imaging Center	3825 S. Lindbergh Blvd. Sunset Hills 63127		Acquire MRI St. Louis County	\$861,740	01/28/05 01/31/05	01/31/05 Not Applicable	Midwest Medical Associates, Inc. 636-225-5445

Type of Project: H - Hospital
N - Nursing Home
F - Freestanding

R - Residential Care Facility
A - Applicability

Report produced by the Missouri Certificate of Need Program on 3/14/2005

LOI Rec'd. - Letter of Intent Received
Test Verified - Non-Applicability Test Completed
Issue Date - Letter signed by Chairman

**Committee confirmation of
Non-Applicability CON Letters Issued
for period December 30, 2004 - March 10, 2005
(sorted by "Issue Date")**

Project Information				Description		Dates Decision		Applicant
Number	Name	Address	City Zip	Proposed Activity	Original Proj Cost	LOI Rec'd Test Verified	Issue Date Decision	Name Phone No.
3744FA	Midwest Medical Associates Imaging Center	3825 S. Lindbergh Blvd.	Sunset Hills 63127	Acquire CT scanner		01/28/05	01/31/05	Midwest Medical Associates, Inc.
				St. Louis County	\$449,100	01/31/05	Not Applicable	636-225-5445
3745NA	Country Club Care Center	503 Regent Dr.	Warrensburg 64093	Add 6 SNF beds		02/02/05	02/08/05	Country Club Properties, LC
				Johnson	\$0	02/08/05	Not Applicable	573-443-2021
3745NA	Country Club Care Center	503 Regent Dr.	Warrensburg 64093	Add 6 SNF beds		02/02/05	02/08/05	Country Club Care Center of
				Johnson		02/08/05	Not Applicable	660-429-4444
3746NA	Dolan Residential Care Centers--Conway Manor	12550 Conway Rd.	Creve Couer 63141	Establish 9-bed ICF		02/03/05	02/08/05	Cura Investments, Inc.
				St. Louis	\$575,000	02/08/05	Not Applicable	314-576-1430
3746NA	Dolan Residential Care Centers--Conway Manor	12550 Conway Rd.	Creve Couer 63141	Establish 9-bed ICF		02/03/05	02/08/05	Dolan Residential Care Centers
				St. Louis		02/08/05	Not Applicable	314-576-1430
3749RA	Maranatha Village	233 E. Norton	Springfield 65803	Add 2 RCF I beds		02/15/05	02/15/05	Gen. Council of the Assemblies of God
				Greene	\$0	02/15/05	Not Applicable	417-862-2781
3749RA	Maranatha Village	233 E. Norton	Springfield 65803	Add 2 RCF I beds		02/15/05	02/15/05	Maranatha Village, Inc.
				Greene		02/15/05	Not Applicable	417-833-0016
3753NA	Gasconade Manor Nursing Home	1910 Nursing Home Rd.	Owensville 65066	Add 6 SNF beds		02/23/05	02/28/05	Gasconade Manor Nursing Home
				Gasconade	\$265,500	02/28/05	Not Applicable	573-437-4101

Type of Project: H - Hospital
N - Nursing Home
F - Freestanding

R - Residential Care Facility
A - Applicability

Report produced by the Missouri Certificate of Need Program on 3/14/2005

LOI Rec'd. - Letter of Intent Received
Test Verified - Non-Applicability Test Completed
Issue Date - Letter signed by Chairman

**Missouri Health Facilities Review Committee
Expedited Ballot Decisions
January 24, 2005**

- | | | |
|----|--|----------|
| 1. | #3705 NS: Morningside Center
Chillicothe (Livingston County)
\$837,000, Renovate ICF | Approved |
| 2. | #3686 RS: Parkview Residential Care
Crystal City (Jefferson County)
\$1,000,000, Replace 51-bed RCF I | Approved |
| 3. | #3719 HS: SSM DePaul Health Center
St. Louis (St. Louis County)
\$3,651,000, Replace linear accelerator | Approved |
| 4. | #3720 HS: SSM DePaul Health Center
St. Louis (St. Louis County)
\$1,280,152, Replace cardiac cath equipment | Approved |

**Missouri Health Facilities Review Committee
Expedited Ballot Decisions
February 23, 2005**

- | | | |
|----|--|----------|
| 1. | #3728 NP: Sunrise Assisted Living of Chesterfield
Chesterfield (St. Louis County)
\$213,000, LTC bed expansion of 46 ICF beds | Approved |
| | | |
| 2. | #3732 RP: Oak Brook Residence
Springfield (Greene County)
\$200,000, LTC bed expansion of 20 RCF II beds | Approved |

Missouri Health Facilities Review Committee
**Expedited Applications
for March 24, 2005 Decisions**

Mail Ballot Agenda

<u>Filing Date/Reviewer</u>	New Business: Expedited applications <u>Application Project Number & Name/City & County/Cost & Description</u>
-----------------------------	--

02/09/05
(DS)

#3723 RS: Our Lady of Mercy Country Home
Liberty (Clay County)
\$7,512,249, Renovate 44-bed RCF I

Missouri Health Facilities Review Committee
Certificate of Need Meeting
May 23, 2005, 9:00 a.m.
House Hearing Room 7, Capitol Building, Jefferson City

Tentative Agenda

A. Committee Business

1. Review and Perfect Agenda
2. Present Mission Statement
3. Review Registered Representative Log
4. Present Meeting Protocol
5. Approve Minutes (April 4, 2005, CON and Admin. Meetings)

B. Old Business

C. New Business: Expedited applications

<u>Filing Date/Reviewer</u>	<u>Application Project Number & Name/City & County/Cost & Description</u>
-----------------------------	---

D. New Business: Full applications

- | | |
|------------------|--|
| 03/10/05
(DS) | 1. #3748 HS: Heartland Regional Medical Center
St. Joseph (Buchanan County)
\$1,200,000, Acquire vascular surgical system |
| 03/11/05
(DS) | 2. #3751 HS: Texas County Memorial Hospital
Houston (Texas County)
\$1,561,560, Replace MRI |

E. Other Business

** To the left of each project listed on the agenda is a set of initials which depicts the planner assigned to review the project (**MH:** Mike Henry and **DS:** Donna Schuessler). If a date is shown above the initials, it indicates the date on which the application was submitted.*

This is an Open Meeting and the public is welcome to attend. Individuals may speak only if called upon by a Committee member. Closed session(s) will be held in accordance with §610.021 RSMo for purposes of discussing legal or personnel issues at any time during this agenda.

March 14, 2005

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	18	19	20	21	22	23 24
	25	26	27	28	29	30
October						
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	9	10	11	12	13	14 15
	16	17	18	19	20	21 22
	23	24	25	26	27	28 29
	30	31				
November						
	6	7	8	9	10	11 12
	13	14	15	16	17	18 19
	20	21	22	23	24	25 26
	27	28	29	30		
December						
	4	5	6	7	8	9 10
	11	12	13	14	15	16 17
	18	19	20	21	22	23 24
	25	26	27	28	29	30 31

Approved 2005 MHFRC Meeting Calendar

Certificate of Need & Administrative Meetings

January 24.....Jefferson City

April 4.....Jefferson City

May 23.....Jefferson City

July 18.....Jefferson City

September 19.....Jefferson City

November 21.....Jefferson City

January 23, 2006.....Jefferson City

Legislative Workshop

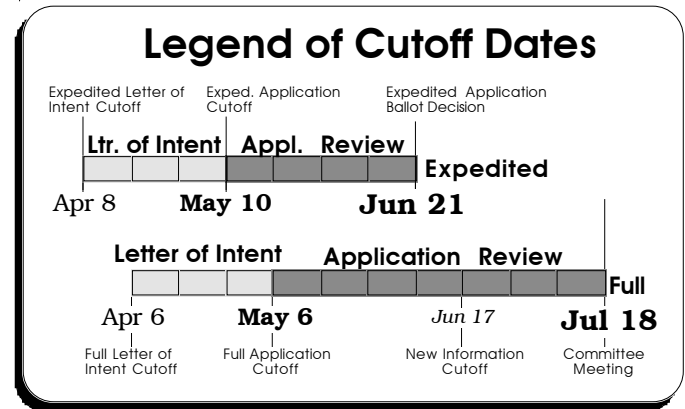
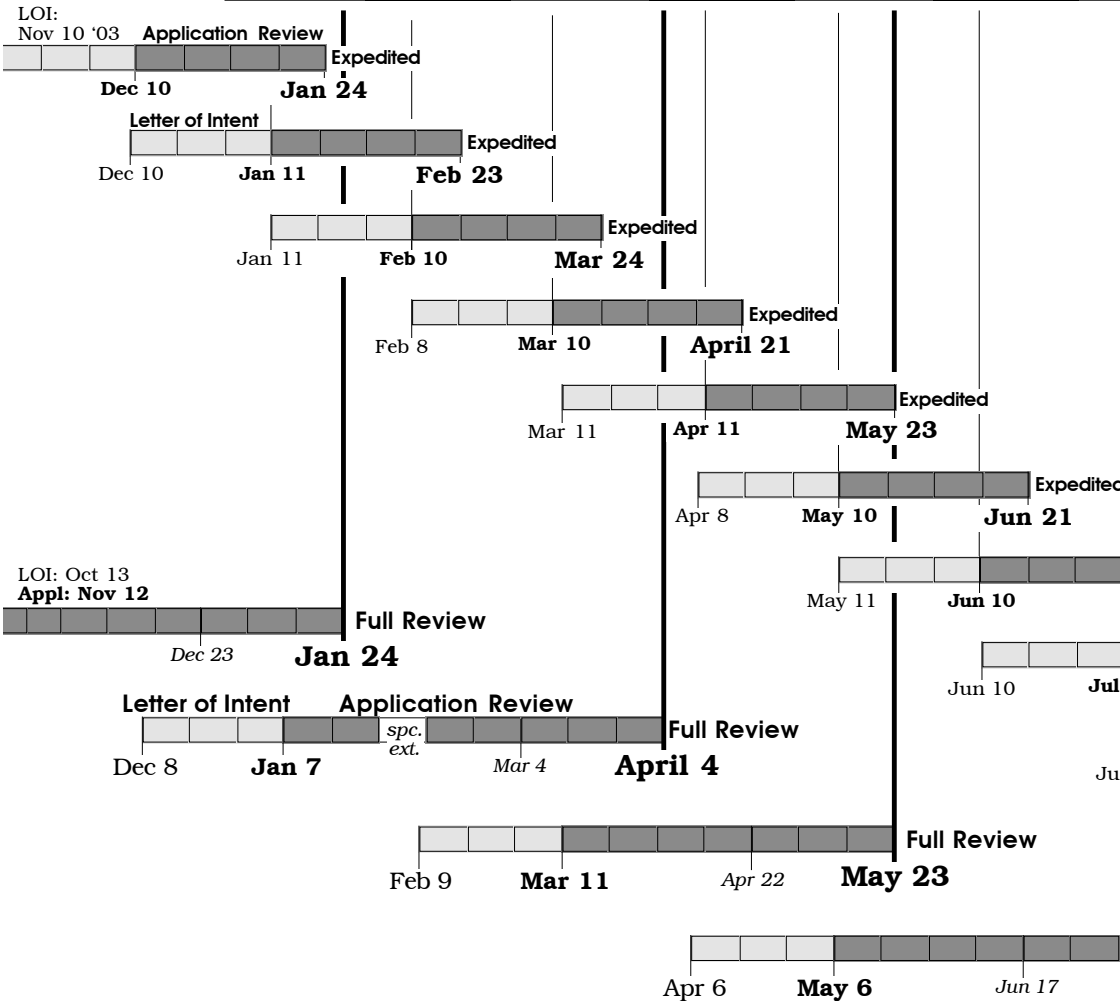
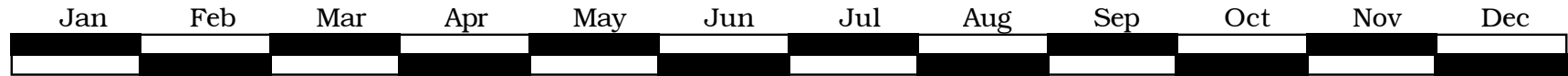
October 10.....Jefferson City

-  CON/Admin. Meetings
-  Committee Workshop
-  Round Table Meetings
(state agencies info exchange)



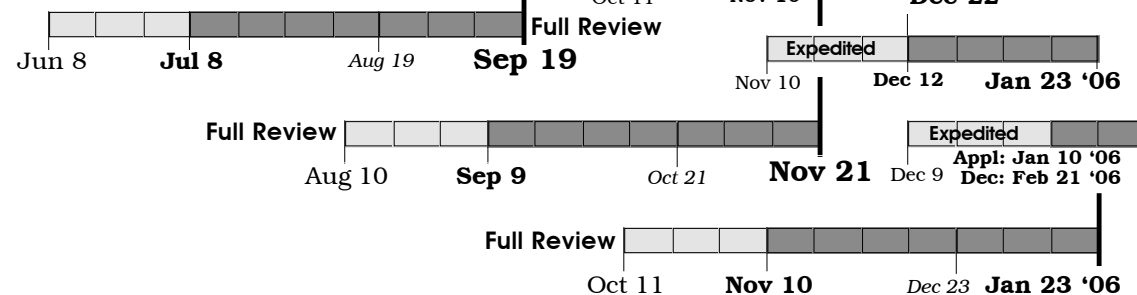
approval date: January 24, 2005

2005 Letter of Intent and Application Review Calendar



revised January 24, 2005

All information is based on CON Rules requiring that a Letter of Intent (LOI) be submitted at least **30** days in advance of an application. The Rules allow for Committee review on the first meeting day after the **70th** day after receipt of a **full** application (if a date falls on a weekend or holiday, then the last working day before is used instead). **Expedited** applications may be approved by the Committee once at least 42 days are allowed for balloting. The Rules also require that the new information deadline is **30** days prior to the Committee meeting.



2005 CON Periodic Legislative Report

(as of March 14, 2005)

Senate Bill 341

This legislation was introduced by Senator Matt Bartle (same as SB 763 filed in early 2004, and SB 449 in 2003) and first read on February 10, 2005. It would confine jurisdiction of the MHFRC to long-term care facilities (nursing homes, residential care facilities and long-term care hospitals), in essence eliminating major medical equipment and new hospital review entirely. It would also exempt not-for-profit corporations in existence on October 1, 1980, and RCF I and II facilities, up to 100 beds in size, operated by a religious organization who would not use public funds for purchase or operation. This bill was "second read" on February 15, and referred to Senate Aging, Families, Mental and Public Health Committee*. A hearing is scheduled for 8:30 am, March 16..

House Bill 585

This legislation (same as SB 341 above) was introduced by Representative Robert Schaaf and first read on February 17, 2005. This bill was "second read" on February 21, and was referred on February 24 to the Health Care Policy Committee**. A hearing has not yet been scheduled.

Fiscal Notes

Eleven financial impact statements have been prepared for Legislative Oversight, many of which were primarily related to topics other than CON.

Budget Hearings

The House Subcommittee on Health Budgets (for House Bill 10) held its first review sessions on February 8, 2005, when the Committee's core request of \$193,179 & 3.5 FTEs was proposed (we did not propose any "new decision items" to restore any positions or other expenses). The presentation of the Department of Health and Senior Services budget did not raise any questions about the MHFRC budget.

The Governor's specific recommendations would remove the computer expenses from our Expense & Equipment line item as part of their consolidation of all computer services into the central Office of Administration. Therefore, the Governor's FY 2005 Recommendation is for **\$185,034 & 3.5 FTEs**. The Governor's Office has also asked for budget impact statements from us about how 5%, 10%, 15%, 20% and 25% cuts would affect our operations.

*** Senate Aging, Families, Mental and Public Health Committee**

Sen. Norma Champion, Chair
Sen. Matt Bartle, Vice-Chair
Sen. Dan Clemens
Sen. Jon Dolan,
Sen. Bill Stouffer
Sen. Larry Taylor
Sen. Pat Dougherty
Sen. Harry Kennedy
Sen. Charles Wheeler

**** Health Care Policy Committee Members**

Rep. Robert Wayne Cooper, Chair
Rep. Robert Schaaf, Vice Chair
Rep. Craig C. Bland
Rep. John L. Bowman
Rep. Kathy Chinn
Rep. Doug Ervin
Rep. Sam Page
Rep. Charles R. Portwood
Rep. David Sater
Rep. Harold R. Selby
Rep. Kevin Threlkeld

End of Administrative Meeting Compendium